TRAINING VILLAGE ENTREPRENEURS.

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GUIDELINES FOR DEVELOPMENT WORKERS

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PREFACE

It is widely accepted now that village renewal requires the co-operative action of the community for their own social and economic development. It is in this context that the entrepreneur development programme pioneered by the Xavier Institute of Social Service could be a valuable instrument for the development not only of individual 'barefoot' entrepreneurs but also of leading the entire village community into different forms of group entrepreneurial activity. In fact the approach of the Xavier Institute of Social Service seeks to go beyond the individual to the group to achieve the objectives of what they call the 'Panchashila of People's Development' -- -- the awakening of the people, their education and organisation, in order to empower them for their own development.

This handbook for the training of village entrepreneurs is characterised by several distinctive features. First, it is based on tested experience and succeeds in achieving a healthy combination of idealism and a realistic assessment of the social and economic situation in which 'barefoot' entrepreneurs have to operate.

Second, the content of the book is organised to facilitate a do - it - yourself training programme. Thus, there are detailed instructions on how to select candidates for the programme, institutional resources required in terms of faculty and finance, the importance of having linkages with other organisations in the rural areas, the methodology relevant to the needs of rural entrepreneurs -- -- not so much lectures as a pedagogy that promotes active participation through simulation exercises, case studies, games, role playing and so on.

The experience of the Xavier Institute of Social Service with the development of successful rural entrepreneurs is an indication that this programme could be widely used for both individual and group entrepreneurial development and village renewal.

Indian Social Institute
July 21, 1980

Dr. Alfred de Souza
Director

INTRODUCTION

What follows are some guidelines for development workers interested in the training of village entrepreneurs. We have tried to explain in as simple a manner as possible, how village entrepreneurs can be trained, by people who are not "experts".

The guidelines are based on the practice developed by Xavier Institute of Social Service, Ranchi, India, which has been training village entrepreurs since 1974 and has gained a certain amount of success therein. The Institute has been working in close co-operation with another body, **Vikas Maitri**, an ecumenical organization working among the rural masses of the Ranchi Dt. since 1968. The success of the programme, described in these pages is to a great extent due to this partnership between the two organizations. Ranchi lies in the heart of a tribal area, and the notes do not claim proven validity for other rural areas in India, especially those not inhabited by tribal persons. There is all likelihood however that any reader who begins reading these notes, will say to himself: "Ah, that's the same with us here!" We do believe that the guidelines have something to offer to a good many people, and therefore on the urging of many friends we offer them to a wider public.

An effort has been made to exclude theoretical consideration. Not because theory is unimportant, but because the theory of entrepreneurship has been sufficiently discussed and can be found in other books and articles. Most development workers are convinced about the importance of generating rural entrepreneurs. What they do not know is how exactly to do this, how to train village youth for self-employment. Many organisations, voluntary or governmental, have tried their hand at it in the past and may have failed. The present guidelines can perhaps convince them that it is not an impossible task, and encourage them to try once again.

Trainers who follow the method and sequence as explained in the chapters that follow, should be able to obtain as good results in the development of village entrepreneurs, as we have had.

Though the book concentrates on the training of village en[illegible]preneurs, much of what is said here will also be found to [illegible]pplicable to the development of tiny entrepreneurs in towns [illegible]cities, operating in the informal sector of the urban economy.

We have not dared to call this document, a **Hand book**, because we felt that it could be made still more clear, more down to earth, more practice-oriented. We would appreciate receiving criticisms and comments of friends, who actually follow these guidelines. In the future we may try our hand at bringing out a real manual on how to train village entrepreneurs.

We do hope that by publishing these guidelines, we contribute to development of the soft-ware of intermediate technology, the making of management relevant and understandable to the millions of tiny managers who keep this land moving, the so-called 'barefoot' managers or entrepreneurs, we contribute also to the economic emancipation of the villages, and the generation of much needed employment in the rural areas.

Ranchi, 15th August 1980.

M. V. d. Bogaert s. j.
A. K. Sinha
M. Bhowmik
D. Bara

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Starting as a road-side cycle repair

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CHAPTER ONE

THE VILLAGE ENTREPRENEUR: A PROFILE

This is an introductory chapter, which tries to clarify what we mean by a village entrepreneur, the role he plays in the village economy and what we try to achieve by training village entrepreneurs. All this is better understood if seen against the background of India's villages today.

1. INDIA'S VILLAGES AND THE ROLE OF THE VILLAGE ENTREPRENEUR

A. Our Villages Today

1. Roughly 80% of rural families depend entirely on agriculture, usually as marginal farmers or agricultural labourers. In the less developed areas, the people still depend entirely on rain as a source of irrigation and they grow only one crop. If that fails, there is famine. For the rest of the year they sit idle or migrate to cities to work as daily labourers or rickshaw pullers.

2. The village crafts that once flourised, have withered away under the competition of cheaper consumer goods produced by industries. The village artisans have joined the farmers or agricultural labourers and increased further the pressure of population on land, forest and water resources.

3. In many villages there is no trade worth mentioning. There is no grocery store, no shop where people can buy cloth, no bakery, not even a tea shop. In such an undiversified economy, money as soon as it is earned by the farmers, flows back from where it came, the cities. It does not roll within the village and does not generate more wealth or employment there. Our villages suffer under the influence of the cities, they are exploited. They get more and more impoverished.

4. The few families who do engage in business, trade, money lending, or other services, have often come from outside and do not feel

constrained by the social controls or the authority of the village council or **Panchayat.** They do not hesitate to exploit the villagers, and the latter accept this exploitation as something natural. They do provide vital services to the village, no doubt, but the cost people have to pay for these services are exorbitant and unjust. These trader families are in league with their relatives in the cities, and also with the local government administration. Frequently they assume political leadership. In short, this elite exploits the people, rather than contributes to their emancipation.

B. THE ROLE OF THE VILLAGE ENTREPRENEUR *

1. The village entrepreneur (VE) as envisaged in this workbook, plays a vital role in changing this situation. What does he do ?

2. He contributes to socio-economic change in the village because by starting a tiny shop, business, or service, he diversifies the economy, and reduces the dependence on agriculture as the sole source of livelihood.

3. In a village that has entrepreneurs, farmers do not hesitate to spend their money inside the village. The entrepreneur contributes or making money roll inside the village, and money that rolls in this manner, generates more wealth and employment, and makes the village more self-reliant and resourceful.

4. Being a person of local origin, he provides a counter-weight to unscrupulous business practices of outside traders. But the latter will not easily give up their privileged position and a long struggle may be needed to dislodge them or make them more responsive to the interests of the local people.

5. He helps to slow down the brain drain. He demonstrates to the youth that it is possible to make a decent living in the village, without having to depend on agriculture only.

6. He generates employment for members of his family and others. In his own little way he helps to solve the problem of rural unemployment.

* In order not to overload the text with 'he/she' and 'his/her' combinations, we use only the masculine when speaking of the village entrepreneur. But whatever is said about men entrepreneurs, equally applies to women entrepreneurs. The latter play as vital a role in village renewal as the former.

7. He can be a 'hero figure' for village youth, and a trainer of those who like to go the same way.

8. As innovator and manager, he contributes to the spreading of new ideas and attitudes, favourable for the adoption of change. He sows basic management skills and values that rural people need to succeed in life.

9. The special skills which he has as barefoot planner, public relations man, accounting skills, know-how for filling in application forms, and for dealing with officials, are valuable assets for a village that starts to get organised.

10. Rural people suffer from a feeling of helplessness and inferiority. They do not see a bright future. The village entrepreneur is the person with confidence in himself, and who believes in the future.

11. To the extent that he succeeds in his business, he helps the native population to improve its own self-image. Tribal or indigenous people need no longer feel inferior or fools in the eyes of others, if their own young men and women suceed in business as well as the outsiders.

12. The village entrepreneur is usually something of a mechanic and he has some tools at his disposal. If he is ready to help others, they will not fail to bring their home appliances, torches, alarm clocks, cycles, sewing machines for repair to him. The VE builds up the village to deal with modern technology in a confident way, rather than be the victim of exploitation.

2. WHAT IS MEANT BY A VILLAGE ENTREPRENEUR ?

Let us not go further, unless we agree on what we mean by a village entrepreneur. What kind of animal is he ? The following factors are essential for somebody to qualify as village entrepreneur :

1. He is a person from the local, **indigenous,** or native population who decides to become **self-employed in the village** or its surroundings, by starting on his own, a shop, trade, repair service, studio, production unit or service. Not all self-employed persons in a village, however, are entrepreneurs. Self-employment is vital but not enough to be a VE.

2. He is also an **innovator**, not in the sense that he invents something totally new. But he is amongst the first in his community to **imitate** a profession that people in town practice, or other communities or castes undertake, and to introduce it in his village, or in his community where it was not traditionally practised. The son of a traditional farmer who begins to grow vegetables for the market is an entrepreneur, so is the young weaver who introduces the first power loom in his village .

3. He **invests his own funds,** or finances that he has obtained from friends, a bank, relatives, even a money lender, or the Government. He is **responsible** for the way he handles this money and what haddens with it .

4. It is possible that his venture may fail, and he therefore **takes a risk.** If the business fails, he is the loser. But if he succeeds he also claims the rewards for the risk he has dared to take.

5. Those who fulfil these conditions play such a **vital role** for the revitalisation of the villages that they fully **deserve** the title **village entrepreneur,** a term which we would like to see translated in local languages in a way that carries a positive and elevating connotation.

3. QUALITIES SOUGHT IN A PERSON WHO WANTS TO BECOME AN ENTREPRENEUR

Experience teaches that certain qualities are needed if a person is to become a successful village entrepreneur. These can be summarised:

1. He must have a **rural background** or at least **feel at home** in the village. He is committed to stay in the village and to throw in his lot with that of the co-villagers.

2. He should have a **capacity to take risk.** A person who lives from hand to mouth **undergoes** risk but **cannot take it.** He stands with his back against the wall, and can hardly be expected to become an entrepreneur. But there are exceptions.

3. The person must be **honest** and have **integrity**. He must be motivated by the idea of playing a socially useful role, not only by the profit motive. In the latter case he might become a crook, and an exploiter. Thieves are great risk takers, but they are not entrepreneurs.

4. He should **not** be too **heavily burdened** with family responsibilities. The eldest son in a farmer's family, for instance, is not likely to become an entrepreneur, for he is expected to take over the farm, or manage the joint family.

5. He must be good at **reading and writing** and at calculation as well. But formal certificates or degrees, such as matriculation or BA are not necessary. Persons with degrees tend to look for jobs, and feel that entrepreneurship is infra dig.

6. The candidate entrepreneur should **not be older than 30 years.** Running a small business requires **vigour and energy,** which only people who see their future in a particular business, can provide. This does not mean that ex-soldiers or retired teachers cannot become good entrepreneurs, but they will rather be the exception.

7. The person must have the **capacity to deal with others,** including officials, bankers, and voluntary organisations. A person who cannot overcome his shyness, or who is totally devoid of friendliness and capacity to relate to people, cannot succeed in business.

8. He must have a certain amount of **social concern**, manifested through the fact that he co-operates in community matters. On the other hand, not too much "time" can be expected from an entrepreneur. Running a business is a full-time job, and his primary responsibility towards society is to succeed in his business.

9. He must have a "place", a house, a shop, a shed, a wayside tree, or some land, of his own, or taken on rent, where he can

establish his shop. This should be situated in a place where customers will readily come.

10. A person who has already had some experience in business, because he has worked in somebody else's shop, or who has travelled and seen the world, or has an uncle who is running a shop, will find it easier to pick up business skills than somebody who has had no experience at all.

11. Characteristics that usually **disqualify** a person from becoming a village entrepreneur are:

a. To be a wilful defaulter in repayment of loans.

b. A person who is addicted to drink, drugs or other vices.

c. Somebody who is actively engaged in village party politics.

d. One who is arrogant, extravagant, irresponsible or a spendrift.

e. Somebody who is too highly qualified, or believes that he is too highly educated for this type of endeavour.

f. An outsider without any connections in the village, runs a certain danger of turning into an exploiter, unless he is motivated by a strong social ideology and concern for others.

4. OBJECTIVES OF AN ENTREPRENEUR DEVELOPMENT PROGRAMME (EDP)

1. The underlying assumption is that village entrepreneurs are not necessarily born, but that to some extent they can be made. The capacity to run a business is not hereditary, or limited to those castes or communities who traditionally engage in trade. Nor is this ability present in every individual. We believe that in the general population, there are individuals, who have the characteristics that qualify and incline them to become entrepreneurs. Often these potentialities lie dormant and undiscovered. They are not given the opportunity to 'surface' and to flower. These potentialities can be identified through a good selection process, motivated and nurtured through training and follow-up, so that village youth, of whom one would hardly believe it, can as a matter of fact, become successful entrepreneurs.

2. The **primary objective** of an EDP then, is to remove some of the handicaps that mark today's village economy, and to induce village youth who have the potentiality, to become effective village entrepreneurs, and to play a role as agents of economic and social change. An **ulterior** objective is to bring the community to the point where **group entrepreneurship** becomes possible.

3. Through this process, the following **secondary objectives** can be achieved:

a. The **drainage** of village resources, money and man-power to the cities, is minimised by creating a more self-reliant and diversified village economy.

b. The opportunities for self-employment, which development brings along are utilised and generate scope for employment for others.

c. Introduction of economic, technological, agricultural and other changes, and reversal of the feeling of helplessness into a sense of self-reliance and resourcefulness.

d. To spread basic managerial skills and values in rural society, necessary for people to cope with modern life.

e. Village entrepreneurship is a specific form of adult education from the aspect of upgrading of the skills of people, vital for the revitalisation of village economy.

f. The present links between urban and rural areas which work to the disadvantage of rural masses, through the presence of allies of urban interests in the villages, are corrected. Through an entrepreneurship programme allies of rural people can be created in the cities, in the person of trainers, bankers, engineers, technicians, businessmen, who take the latter's interests to heart.

CHAPTER TWO

WHO WILL TRAIN VILLAGE ENTREPRENEURS?

In the first chapter we focussed attention on the village entrepreneur. We now discuss another vital point: **who can train village entrepreneurs?** While one need not be an 'expert', experience indicates that not every agency is suited for this task. Certain characteristics can be identified which make an agency or institution better equipped for this work than another. The task is rather complex and **two organisations, teaming up with each other** can do a better job than if one agency is responsible for the whole process. Finally, this chapter contains some details about the organisational set up of an organisation that trains village entrepreneurs.

1. CHARACTERISTICS SOUGHT IN A TRAINING AGENCY THAT WANTS TO TRAIN VILLAGE ENTREPRENEURS:

Many an organisation in the past has tried to train entrepreneurs, not a few have failed. In order to successfully train village entrepreneurs, an institution or agency should have the following characteristics.

1. It must be **entrepreneurial in culture and outlook.** This does not mean that it must be run for profit or on commercial lines, but that it has the characteristics which in chapter one were identified as belonging to the essence of entrepreneurship:

Characteristics of the Entrepreneur	**In terms of organisation**
a. Self-employment	a. Be autonomous and relatively free from outside control

b. Innovation	b. Readiness to try out new programmes. Not be constrained in a formal system of education.
c. Responsibility for finances	c. Dispose of own financial resources, and have discretion about their use. Not depend entirely on donor agencies.
d. Risk taking	d. Risk taking

2. Usually a **voluntary** organisation will show such characteristics rather than a government organisation. But exceptions do exist. A voluntary organisation also has the following advantages:

a. It can more easily take care of proper follow-up.

b. Rules, regulations, and policies, are flexible.

c. The organisation relates to the grass-roots and has contact with them.

d. It is motivated by the idea of service towards society.

It is good to repeat that there are Governmental organisations which have these characteristics and therefore do a good job in training village entrepreneurs.

3. The sponsoring body should be committed to the rural people, and the latter should feel that they are welcome in the institution.

4. The organisation and its staff should be sincerely committed to development of the poor, born out of an ideology which may be religious, secular, regional, Gandhian, or tribal.

5. The sponsoring organisation should have good relations with the local government agencies, banks, district industries' centres, shop-keepers, business community. The help of all these parties is required for running a successful EDP.

6. The agency should relate to a specific environment and be identified with it in the eyes of the people, more specifically the target population.

7. The area to which one caters will usually not be bigger than an average District in India, 1 to 2 million people at most because of the following reasons.

a. The EDP is given in the local 'language', which differs from district to district.

b. Follow-up of individual entrepreneurs living scattered over a very large area, through personal visits, is imposible in a larger area.

8. Before village entrepreneurs can be trained for a particular area a certain amount of development should already have preceded.

a. A certain awakening and education should have taken place among the local people.

b. The area should not be marked by feudalistic structures, because the exploiters would not permit village entrepreneurs to come up from amongst the oppressed.

c. The people should to a certain extent be organised and there should be some infrastructure for communicating with the rural masses.

2. TEAMING UP WITH A LINK AGENCY

1. Training village entrepreneurs is one thing, selecting them, and following them up after they have been trained is another. It is rather difficult for one agency, a training institution, to do justice to all the aspects of enabling village youth to become self-employed.

It may be advisable for the training agency to team up with another agency, here called a **link agency,** in order to divide the work. This may at times not be possible, there existing no other suitable body with which one can link up. In such a case the sponsoring body itself may have to assume these different roles. It is good to keep them clearly in mind, and if they have to be taken care of by the same body, to see that they can be entrusted to different officers. In this manner, one can be sure that 'vested interests' will look properly after each role, while working as a team.

2. A **link agency** is a voluntary organisation, or institution, which fulfills certain functions, and has certain structures, that **complement** those of the training institution engaged in training entrepreneurs. The link agency, for instance, may have built up a whole infrastructure of rural groups and contacts or centres in the rural areas, from where the training institution draws its candidates.
In such a case the broad division of tasks between the two might be as follows:

Link Agency's Functions	**Training Institution's Functions**
Pre-selection motivation	Selection
Assistance in selection	Training
Follow-up	Project Planning
Social 'encadrement' of entrepreneurs	Initial follow-up

Another arrangement between two agencies could be thought of. There is nothing hide-bound in what is said here.

3. The two agencies can be **effective** in promoting village entrepreneurship, provided they share the same or similar ideology, agree on a common approach to the training of entrepreneurs, and there is good understanding and clear division of tasks between the officers of the two organisations. They must realise that they need each other and play complementary roles.

4. Such a special relationship can also be adopted by the training agency with a **technical institute** or a craft school, where trainees can be given a theoretical and practical grounding in the skills of their profession, be it radio mechanics, cycle repairs, bakery, iron work, unless such facilities are available in the training institution itself.

A challenging task awaits many technical schools in India linking up, in this manner, with other organisations that train village entrepreneurs.

5. Besides teaming up with one or two link agencies, the training institution will need the assistance of other agencies; and has to keep close contact with them, though the co-operation will be far less intensive than with the link agencies. These institutions are:

a. District Industries Centre, Small Industries Service Institute, Industrial Area Authority, Department of Industries.

b. Government Departments responsible for agriculture, animal husbandry, plant protection, irrigation, soil conservation etc.

c. Village and Khadi (handloom) Industries Commission.

d. Commercial Banks, particularly those which are operating in the rural areas, State Finance Corporation, Industrial Development Bank etc.

e. National and international agencies, governmental or voluntary, engaged in rural development projects in the area.

f. Schools, whose drop-outs or old students may be good candidates for taking up village enterpreneurship.

6. A sponsoring organisation, along with its link agency (ies) has to **earn the respect and co-operation** of these organisations. For this it has to keep an attitude of openness and give-and-take towards these organisations, and be effective in delivering the goods: in this case training village entrepreneurs.

In this matter it pays to show that one plays a **complementary role** and only helps other organisations to do their job better.

3. ORGANISATIONAL SET-UP OF A TRAINING INSTITUTION ENGAGED IN EDP

1. Usually an agency taking up EDP engages in other programmes such as technical training, management training, rural development, which are its main activities. The EDP may be only an additional activity and the EDP department may be a small department or cell. What matters is that the training of village entrepreneurs is seen as falling within the priorities of the agency, and that there be a corporate commitment in that direction.

2. The EDP staff, working on a full-time basis, may not consist of more than two or three persons. They must be able to count on the full co-operation of the chief executive, the administration, the faculty of other departments, the office, the library etc.

3. The person heading the EDP department should directly report to the chief executive of the organisation, and in this respect, be on equal level with other heads of departments. The EDP should not be tagged on to another department as an appendix. It may be a small department, but it must have the ear of the chief executive of the organisation.

4. Amongst the persons recruited for the EDP staff, one could have done **engineering** studies or have worked for some years in a Bank or a **Government department** engaged in the promotion of small scale **industries.** Such a person knows how the Government works, and this is a valuable asset.

A second staff member may have had experience in **banking** or **marketing, management, project planning** or other skills important in the promotion of entrepreneurship.

The qualifications and experience of different staff members should complement each other.

It is best to appoint rather young persons, because follow-up work requires a great deal of touring and strenuous efforts in chasing loans with government and banks. What matters above all is that they fully **'believe'** in the training of village entrepreneurs and can emotionally relate to village youth.

5. Elderly or retired people can be associated with the EDP, as guest lecturers or advisers to the entrepreneurs. One cannot build a whole programme on them, however, valuable though their experience may be.

6. There should be an **advisory committee** of the EDP that meets every month, to discuss EDP matters. This committee should be headed, by the Director of the Institution and can have a representative of the staff, of the link agency (ies), a government official, a banker, and of course the EDP trainers as members.

7. The EDP staff must be able to count on the support of other departments, in the form of guest lecturers, and draw on services such as typing, library, use of class rooms, use of hall, canteen etc.

8. The EDP department should have an **office** of its own that is easily accessible to the village entrepreneurs and people who come from the villages for advice. Such an office will tend to be rather noisy, and keep hours that may not correspond with those kept by other departments.

9. It would also be good if the EDP department can have a **small workshop,** where village entrepreneurs can be given practical training in simple trades such as weaving, tailoring, carpentry or where exhibits can be kept of diesel engines etc. If, however, the training organisation can link up with a technical institution or craft centre in the neighbourhood, then the latter can take care of such requirements.

10. For the sake of placement in local shops, and supervision and follow-up in the villages the staff must have at its disposal one or two motorbikes, and if the institution can afford it, a jeep.

11. An EDP for village youth should last not less than six months. During these six months, the candidates have to stay in the centre. The training institution must therefore provide them with hostel accommodation. This can be of a very simple type, and the trainees can be asked to do their own cooking. Women candidates can be accommodated in a convent or womens, hostel near the training institution.

12. The best place for running an EDP for village entrepreneurs is **small district towns,** where training resources and personnel can be tapped and which are at the same time not too far removed from their rural hinterland. Since it is advocated here that an EDP should not cover more than one Indian District, it might be best to run the programme in the **District Headquarters.**

13. Village entrepreneurs cannot be trained **en masse.** If a particular agency can effectively train and settle 100 entrepreneurs per year, it can be considered as successful.

CHAPTER THREE

SELECTION OF CANDIDATES

After having clarified what is meant by a village entrepreneur and what type of sponsoring agency seems best suited to train them, we now begin with a step by step description of how actual training takes place. The first step in this process is **selection of candidates.** Before selection can be made however, the news has to be spread around and a certain amount of **pre-selection motivation** of the community may be necessary. The screening and testing of candidates as part of the selection process is also discussed.

I. SELECTION, WHY AND HOW ?

1. A good selection solves one third of the problems of EDP, because:

a. It assures that there is a minimum number of drop-outs during the training programme, and afterwards in the form of candidates who fail to set up a business. Waste of valuable resources in terms of human effort, money, time spent on training, counselling, is thus avoided.

b. It permits that rather **rare individual,** who has potentiality for becoming an entrepreneur, but may not be aware of it, or not have had a chance to work out his potentialities, to **come to the surface.**

c. The selection process with its ramifications in the rural community, is in itself a means of motivating rural people towards change.

2. The process of selection of candidates starts in the village itself, and the link agency has a vital role to play as a first part of its function to provide social encadrement to the village entrepreneurs.

3. Selection in the villages must be preceded by **Pre-training motivation.** In pre-training motivation the training agency in co-operation with the link agency spreads around the news that an EDP will be held, and also motivates the community as a whole to take interest in the promotion of village entrepreneurs from

amongst their midst. A good fisherman, before he goes to fish in a particular spot, throws bait to the fish, so that they gather there. It attracts the potential entrepreneurs to the selection process.

2. SPREADING THE NEWS

1. News that an EDP will be held should reach those villages where the link agency or other agencies have built up an infrastructure of communication, and where the follow-up of entrepreneurs after training, can be assured. It does not have meaning to recruit candidates from areas, where assured follow-up is not availabe.

It is expected that the link agency, and other organisations working in the area, share a common understanding on the role of village entrepreneurs, and that they work with each other. This should not be too easily presumed.

2. While spreading the news, the training organisation in understanding with the link agency, should indicate the following:

a. For whom exactly the training is meant.

b. What is the eligible age, and qualifications for candidates.

c. Duration and venue of the training.

d. Ask for specifications about the background of the candidates.

e. Announce the facilities that are available in the Institution, such as stipend, boarding and hostel facilities; what candidates are expected to bring along to the training institution.

f. Other information that the candidates may require in order to get a clear understanding of what they are applying for.

3. The best **Channels for passing on the news** to the rural masses are.

a. Through **Word of mouth,** by village level workers of the link agency, church workers, head masters, members of the village councils (Panchayats), who form part of the infrastructure, and who enjoy the respect of the people. Remember: by using them as channels of communication, we increase their power, and win allies for the EDP.

b. Through the **Printed word,** in the form of hand-outs, notices, newsletters, circulars, or other publications spread by the link agency. It is necessary to combine oral communication with this written form of communication, in order to avoid corruption of the message, or mis-understanding.

c. Wall posters displayed in adult education or community centres in the villages.

d. Ex-trainees who have become succesful entrepreneurs, are also a good channel of communication.

4. Care must be taken that the news is clearly issued in the name of the training institution and the link agency, in a clear manner. It is of course expected that both these agencies enjoy the credibility of the village people.

5. The channels used to advertise the programme should also be provided with application forms, for which a small price should be charged. People only appreciate what they pay for. The application form itself is a form of authentic information for the applicants and a tool for pre-training motivation of the community.

3. PRE-TRAINING MOTIVATION

1. During initial periods, when the people are not at all acquainted with the idea of village entrepreneurship, a good amount of motivation and information has to be directed to the community as a whole, before one can start with the selection process. By this is meant that the idea of village entrepreneurship, as described in chapter one, is presented to the people in an appealing manner and in such a way that they get won over to the idea.

In the approach visualised in this book, it is the tribal village community as a whole, represented by the traditional council, the panchayat, which **deputes** some of its members to be trained for this novel role, rather than a few village youths coming entirely on their own initiative.

2. The idea of village entrepreneurship must be presented against the religious, social and cultural characteristics of the target population, as something that fits in with that culture. Village

entrepreneurship must **make sense** to the people and meet their felt needs, otherwise it will be rejected.

3. Pre- training motivation can be undertaken at village meetings, seminars, fairs, or in schools, through talks that explain the meaning and importance of entrepreneurship. If the audience is literate, a small brochure can be distributed to reinforce the message and provide authoritative information. The language, the imagery used, should appeal and be understood by the community.

4. The presence in the community of succesful entrepreneurs, who have gone through earlier programmes will have a motivating effect, but the failures of such entrepreneurs will similarly act as a demotivator.

5. Pre-training motivation has to take account of the educational level of the people, and the extent to which the community has been awakened. The less educated the people are, the more down-to-earth should be the manner in which village entrepreneurship is presented. It should not be presented as something complex and difficult , but on the other hand one should not minimise the challenge that is involved.

Once a community is awakened and won over to the idea of village entrepreneurship, little will have to be done in the form of pre-training motivation. The people will come forward by themselves, and it may be a problem to face their rising expectation!

6. The role of social and cultural institutions in the area is important. They either help and reinforce the pre-training motivation, if they can be won over as allies, or they will work as blocks. They must be taken into account.

7. Finally the personal **conviction** of the motivators themselves is important. If they do not belive in EDP they cannot convince others, however good talkers they may be. The motivators must not merely preach the idea but really identify with it. Village people are very canny in reading the unspoken messages of some-body who comes along with a new idea. They have been fooled so often in the past.

4. INVITING APPLICATIONS

1. The link agency (ies) collect the application forms from the prospective candidates and screen these on the basis of the family background and antecedents of the candidates. Undesirable characters must be eliminated right at the beginning of the selection process. In entrusting this role of early selection to the local panchayats, their power is reinforced, and allies are won for the idea. But care must be taken that village politics or favouritism does not exclude good candidates.

2. It is also the task of the local council, not only to screen the candidates, but also to discuss whether there is scope for the type of shop that the candidate proposes to open. The role of 'god-father' played by the community, is an integral part of the social encadrement of entrepreneurs and starts right at the beginning of the selection process.

Candidates are expected to present a letter of recommendation from their headman, though the discretion of final selection is retained by the training institution.

3. On receipt of the applications through the link agency (ies), the training agency further screens the applications and limits them to a manageable number of candidates to be called for written test and interview. Care has to be taken that there is an equitable distribution area wise, and that, for instance, not ten tailors are taken from the same village, for that would immediately create a problem, unless the latter want to work in the form of a co-operative.

5. Screening And Selecting Candidates

I. The next step is then to call the candidates to the training institution or agency for a set of written tests, to gauge intelligence, language skill, numeracy, and motivation. The tests must be adminstered in the local language and care must be taken that they are truly adjusted to the cultural background of the candidates.

2. These tests should be evaluated immediatly, and those who have passed them should be called for further selection in the form of aptitude tests, if necessary, and an oral interview. The others may

return immediatly to their villages. The period of waiting and uncertainty should be reduced as much as possible, because staying in a city is expensive for the candidates.

3. One of the tests, usually recommended for the selection of entrepreneurs is a thematic apperception test (TAT). A picture is shown for a few minutes and then withdrawn. The candidates are then asked to write an essay on what the picture suggests to them. In writing this story, the candidate shows to what extent he is driven by a **need to achieve,** which is said to be an important factor in the mental make up of entrepreneurs. The TAT can be adminstered, if there is somebody trained to evaluate the answers, and give scores. But it does not seem to be absolutely necessary.

4. For certain professions, such as radio mechanics, tests like **manual dexterity test** may be advisable, provided there are persons who can adminster them, and interpret the findings. If such 'experts' are not available one can dispense with such tests.

5. One test with which **one can not dispense and which is vital is an oral interview** by a board of staff members, assisted by a deputy of the link agency and perhaps a banker, or a government representative.

The interview serves the purpose of:

a. Probing into the personal and family background of the candidates.

b. Past technical or business experience or exposure.

c. The reasons why the candidate wants to become an entrepreneur.

d. The clarity of his objective and determination with which he wants to pursue it.

e. Whether he has family support including financial assistance from his family.

f. To what extent he has been associated with development activities in his local community.

g. His academic background, (but this is not given much weightage)

Even if other parts of the selection procedure are dropped, the selection interview should not. It is the most important step to decide who joins and who does not.

6. Other tests can be added, such as **group discussion,** to gauge the social and leadership abilities of the candidates, and also **business games,** to test their **business acumen.**

7. The **result** of the selection tests should be declared as soon as possible, and a two-week period should be given to the candidates to go home, and bring along bedding, clothing, rice, etc., for spending a few months in the hostel. They must be told of the exact date, time and venue of the inauguration of the programme.

8. In the whole matter of selection, a balance has to be struck between the **quality** of the selection procedure and the **quantity** and the **cost** of the tests administered. Each institution has to find this balance for itself through trial and error. It should not be too easily overawed by behavioural experts who claim wonder results for the tests they have developed, and who charge a fat fee for administering these tests.

CHAPTER IV

MOTIVATING THE CANDIDATES

Success in village entrepreneurship depends more than fifty per cent on the motivation of the entrepreneur himself. Motivation is a vital factor. But what exactly is it ? **Motivation** denotes that **driving force** within the individual which urges him or her to strive after an objective, whatever the obstructions may be. Motivation is innermost in the mind of the person, but it can be increased further or on the contrary be **decreased by demotivating factors,** to the extent that it brings the entrepreneur to a point where he ceases to strive after the objective he once had.

It is a process that starts long before the candidate reaches the portals of the training institution, but that must be reinforced as much as possible during the training period, and further nurtured after the training is over. Experience shows that entrepreneurs may lose their determination to achieve their goal.

Pre-training motivation has already been covered in the previous chapter. Here the factors that motivate an entepreneur during and after training are enumerated, so that trainers can pay attention to them. How motivation training is carried on during the programme, and reinforced and kept alive after the training, is described.

1. FACTORS THAT MOTIVATE AN ENTREPRENEUR CANDIDATE

A. DURING THE TRAINING

I. The **environment** of the training institution: Village entrepreneurs cannot be trained in a village setting, since training facilities are missing there. Besides, it is good to build up a positive rural-urban nexus. But moving to a city and staying there for six months may distract the attention of the candidates. They may fall into undesirable company, have to struggle with homesickness etc. The training organisation has therefore to see that its own environment

functions as a motivator for the candidates. They must not only be tolerated but positively welcomed as VIPs in the institution.

A sense of identification and pride can even be built up, as is done for other old boys of the institution.

2. **Training facilities**: They may be very simple but the trainees should not get the impression that the agency is not fully equipped for its task.

The lack of even small requirements such as proper lighting arrangements may work as irritants and should be avoided. Guest lecturers who do not turn up in time and a host of other details can work as demotivators. Any credibility gap between what the organisation claims and what actually happens works as a demotivator. Too much propaganda or tall claims should be avoided.

3. **QUALITY OF TRAINERS:** Since the full - time staff members enter into very close relationship with the students, in a **guru-chela** relationship, the students get to know their trainers very thoroughly. The integrity, inner attitudes towards the trainees, their hidden agendas, their approach and method, are all important factors, as is the calibre of training and the discipline that is maintained.

If the trainers are like real gurus, who personally care for the trainees, for instance when the latter are ill, they will leave a deep and lasting impact on the trainees.

4. **Period and Timing of Training:** Staying away from home for six months may be demotivating for the trainees. On the other hand experience shows that if a training programme lasts six months, the rate of drop outs after the course is smaller, than if the course is reduced to four months. The training agency has therefore to find a pattern for the candidates to go home now and then, the market survey towards the end of their training being one such occasion.

5. **Shopfloor training:** For picking up the practical skills of their trade, candidates are placed with shopkeepers in town. The

shop where the trainee is placed for such in-plant training should ideally be a spot where he further gets inspired by the example of the shopkeeper, and motivated to do well. But if the shopkeeper or too busy in his work and cannot give atten tion to the trainee, or he does not care, or does not trust the trainee, or does not tell him all the details of running a business, this may work as a serious demotivating factor.

6. Drop-outs: Drop-outs not only pose a problem for the training agency but for the other trainees too. This is especially so if candidates drop out after they have spent a few months in the organisation and have struck up friendship with colleagues. If trainees see that one of their big friends drops out, they may experience the temptation of doing the same.

B. AFTER THE TRAINING PERIOD

Once the training is over, another set of factors enter into play and act as motivators or demotivators. They can be identified as follows:

1. Finances: Obtaining the necessary finance even under ideal conditions is a challenging matter. But if the bankers or other financing agencies make extra difficulties — and there are always bureaucratic procedures behind which one can hide — an entrepreneur may be brought to the point where he gives up entirely. Anothr difficulty is **delay in the payment of bills,** for which public sector enterprises and Governments are known. It extinguishes the viability of the entrepreneur but also kills his spirit. A banker on the contrary who is helpful, can act as a great motivator for young entrepreneurs.

2. Marketing: Marketing starts with the purchase of raw materials and ends with the sale of finished products. To sell in a competitive market is not easy, and many village entrepreneurs will need assistance here, because they may have to enter into competition with vested interests which have deeply entrenched themselves in the local market.

3. Saving Habits: An entrepreneur who cannot set aside some of his profits to pay off his loans and build up his capital, because he is too heavily burdened with family responsibilities, or he squanders his money in extravagant or irresponsible expenditure on

drink, will not reach take – off point. Unless he is assisted his motivation will die down entirely.

4. **Follow - up:** If the training organisation in consultation with the link agency can provide an effective follow - up, this will work as a great motivating force. Entrepreneurs feel encouraged if they know that somebody cares for them, and is ready to come and help if he calls for assistance. The atmosphere of welcome they find in the organisation on returning there occasionally also acts as a motivator.

5. **Social Encadrement:** Finally, the local community itself has to welcome the entrepreneur once he has completed his training, and consider him a bit as a VIP in the village economy, and sponsor his business. This should not be taken for granted. If the entrepreneur feels neglected or looked down upon, especially in communities where social ties are still very strong such as in tribal groups, he is bound to drop out, because his motivation has been killed off.

2. MOTIVATION TRAINING DURING THE COURSE

Motivational training is a continuous process that starts before the course, and has to be continued long after, but it must be given in an intensified manner during early weeks of training as described below :

1. **Duration :** Experience shows that the first part of the course, at least one full week, should be set aside for motivational reinforcement. This intensified training helps the candidates during the remainder of the training. However, just one week of intensive motivational training at the beginning of the course, is not sufficient. Unless motivation is kept up and becomes an integral part of the training, the candidates may lose the intensity of motivation they had during the early days of the programme.

2. **Content :** In motivational training, the candidate is helped to set a goal for himself, and his will and determination to reach that goal is strengthened. A target or goal is not something that can be

imposed, it must grow out of the person's free will. In motivational training a favourable environment is created where this clarification of goals, and strengthening of determination can take place, in interaction with colleagues and teachers.

Striving for a goal involves risk. The candidate may fail. In motivational training, the capacity to take risk is strengthened.
The fixing of a goal for oneself is facilitated if the young entrepreneur learns to know his strengths and weaknesses, so that he may reinforce the former and overcome the latter.

Once the goal has been set, and determination built up, the candidate has to find more and more within himself the strength to move ahead. He must therefore grow in self-reliance. Motivation training must reduce dependence on outside props, whether family members, the community or the training agency itself.

Finally motivational training has to aim at building up an entrepreneurial self-image and identity in the candidate.
By way of illustration, some of the exercises which have been found useful for improving the communication skills and the motivation of the village entrepreneurs are mentioned :

Communication Skills: Message carrying
Explaining a photo (the message in it, the impression it makes)
One and two way communication games.

Motivation: Story writing (around the situation in a photo which is shown to the trainees. This is similar to the TAT test).

Oral practice : Who am I ?

Ring Toss Game : This helps in ascertaining one's orientation towards risk taking, goal setting, planning and taking up responsibility. Learning from feed back takes place in this game.

Tower building game : This exercise is good to generate discussion and reflection on decision making, to understand the goal setting process. It helps the trainer to understand the motivational orientation of the trainees and to instill confidence in them.

Boat making: This game in which paper boats are made, helps the trainees to analyse their thinking process, in relation to achievement planning. The trainees can learn the concept of moderate risk taking and its implications for confidence level. It also helps them to understand their behaviour while under pressure of time and striving for results. It develops sensitivity to environmental factors, and helps the trainees to analyse their behaviour in competitive situations.

3. Methodology : How to impart this motivation? In general, lectures are to be avoided, when dealing with village entrepreneurs. Presenting theories about motivation is going to help even less.

Experience shows that simulation games, roll playing, group discussions, case presentations on successful as well as unsuccessful entrepreneurs, and an occasional pep-talk by a practising entrepreneur, are good ways of imparting motivation. Some of the exercises are briefly mentioned in the appendix.

When the exercises are in progress, the trainers should not pass judgement on the trainees, because this will inhibit their spontaneity and creativity. But the meaning of the games and the experiences they have gone through have to be discussed after the exercise, and it should not be assumed too easily that the trainees immediately grasp the purpose of the game.

There is nothing sacrosanct about these games and exercises, and a team of good trainers will after some time know what combinations and permutations can be made, and even develop exercises of their own.

5 **Trainers:** Motivation exercises must be conducted by the **core staff of the EDP team,** who are associated with the trainees during the rest of the training. It is the best time to get to know the character of the trainees, and to find out how one relates to them.
The staff should work as a team, sensing when to put in a remark, or when to take over from a team member. Good trainers even develop a set of signs by which they communicate to each other during the exercises without disturbing the trainees.

The trainer should be motivated with positive feelings towards the trainees, and respect them deeply. They should continually discuss and review the progress that is being made and the problems that are cropping up. They will also plan for the next day, what tools to use out of the growing arsenal of games and exercises that exist now. In order to be a good motivator, one need not be a behavioural scientist or expert. One has to be an **open** balanced, responding human being, who can get on to the wave length of a group, and be a learner together with the group. Persons with unresolved problems of their own should better not engage in motivating others.

3. MOTIVATIONAL REINFORCEMENT AFTER THE TRAINING

Various means are available to keep the motivation that was generated at the beginning of the course, at a pitch sufficiently high to keep the entrepreneur in his business, and to prevent drop outs.
Some of these are discussed in detail in the chapter on follow-up. They are briefly mentioned here.

1. **Visits:** Nothing motivates a young entrepreneur like a visit of his old guru, especially when he is in trouble. Ideally all trainees who are in the process of setting up their business should be visited twice a year, or whenever they themselves call for help. Such visits are an occasion to look into the books of accounts, stock book, and to visit also the banker of the entrepreneur and discuss how the latter is doing.

2. **NEWSLETTER**: A newsletter carrying news bout the trainees of different batches and how they are doing, and also containing new directives or guidelines from Government, or short articles on how to improve one's business, can work as a steady friend and motivator of the entrepreneurs. It should be drafted in the language they understand. Keeping it going will prove a challenge.

3. **Seminars and Meetings** also help to keep alive the motivation. They are occasions when the old colleagues can compare notes, and tell their joys as well as woes. It is best if such seminars can be held in centrally located growth centres of an area, rather than calling

entrepreneurs to the city where the training centre is located. Entrepreneurs are busy people, and going for meetings costs money, and means loss of daily earnings. The meetings must therefore really be useful for the trainees, otherwise they will soon cease to come.

4. **Entrepreneur Association:** It will help if the trainees can become members of a national association of young entrepreneurs. This helps to create a national solidarity, and provides the opportunity to attend conferences in other parts of the country or to visit trade fairs. Care must be taken, however, that these organisations are at the level of the village entrepreneurs. This is not usually the case with Chambers of Commerce or other professional organisations. They cater to a more sophisticated public.

CHAPTER V

MANAGERIAL TRAINING OF ENTREPRENEURS

After a week spent on intensive motivational training, a start can be made with the managerial training of the village entrepreneur. In order to be clear what this training should contain, and how it should be conducted, it is necessary to clarify what managerial abilities an entrepreneur needs in order to carry out his business.

1. MANAGERIAL ABILITIES REQUIRED IN A VILLAGE ENTREPRENEUR

What follows may look very complicated but is not. If one analyses the abilities which a house-wife needs to manage her household well, one notices that she too has those abilities to a greater or lesser extent. These abilities go with the essence of the management of a household as of a business.

1. **Planning Ability:** The candidate must be able to identify an **objective,** and break it down into **targets** after which he can strive, and strategies and policies he can follow in reaching the targets. He must be able to express his vision in the form of a concrete project that fits well together and that is acceptable to a tough-minded banker, whom he will approach for finance.
The planning ability also implies the capacity to scan one's environment, more particularly the market for the product which he intends to produce and sell.

2. **Financial Ability:** The entrepreneur must be able to nurture his financial resources: those he contributed by himself, and the ones he borrowed. The big question he has to solve for himself is whether he will be able to make a surplus from which he can live. He must therefore know the basic principles and skills of accounting and financial management.

3. **Social Ability:** In his business the entrepreneur continually interacts with others: customers, competitors, government officials,

suppliers, employees. He must have the ability to deal with people, genuinely like people, be self-confident, and inspire confidence in others. As a member of the village community which has deputed him to the EDP he must also take interest in the development of his community. He must be able to co-operate with others.

4. Orientation towards Achievement: The primary task of the entrepreneur and his first role in society is to see that his little business thrives. He must therefore be oriented towards the achievement of this goal, rather than strive for social recognition or reputation. He must also see his business as a full-time job, and pursue it with **single-minded determination.**

This orientation towards achievement is also needed by the entrepreneur in order to overcome the demands of his family and the expetions of his society for diluting his policies, by for instance demanding that he sell on credit.

5. GENERAL EDUCATION AND ASSIMILATION OF INFORMATION:

The educational basis of the entrepreneur should be sufficient to enable him to fully assimilate the training given by the institution, and to keep in touch with the broader trends that affect the future of his business. He must have an open mind, and a keenness to continue to learn in life, which will imply a well established reading habit. The candidate must be particularly well informed about the latest directives of the government that affect his business, or about projects that are going to be started. He must know how to obtain information from banks, financial institutions, development agencies and how to handle this information.

6. Effectiveness: The village entrepreneur must know how to maximise the output of his resources. He should be able to gauge the turn-over of his capital, and know where exactly he stands in the market and how he is affected by its changing trends.

7. Technical Up-to-dateness: New techniques, processes, raw materials, fashions, requirements and customer expectations affect

the technical proficiency of the entrepreneur. He must have the ability to uptodate his skills, lest he run the danger of obsolescence and of being pushed out of the market by more progressive individuals.

8. **Ethical Sense:** Finally a village enterpreneur as envisaged here, is a person who must be able to withstand temptations for adopting unfair practices, corrupting others for obtaining what he wants, and he must always have a social sense and sense of responsibility towards his community.

2. MANAGERIAL TRAINING, STRATEGY & METHODOLOGY

Through training one inculcates and reinforces the abilities mentioned above, in the young entrepreneurs. Managerial training is different from motivational training but is closely related with it, and it must dovetail in it, as well as with the skills inputs. It starts after the intensive motivational training of the first week is completed and should last till the end of the programme. Time must be given to let new ideas sink into the minds of the trainees. It should be intensified towards the end of the training. The candidates are then engaged in the drafting of their project report, and are likely to realise how little they know as yet. They may therefore be keener to pick up more knowledge.

1. **Theoretical Sessions** should be reduced to the minimum necessary to assure that the candidates have grasped the essence of the ideas. Lectures should be discouraged. It is best to start always with very **concrete examples or cases** and to let the theory emerge towards the end of the session or as a result of reflection on shared experience. Short summaries and practical guidelines can be distributed in the form of outlines in the local language. These can be useful in the future as a source of reference. But better still is it if the entrepreneur himself takes class notes and subsequently writes them up in the form of summaries.

2. Business **games, case studies** other **exercises** and group discussions are good methods of helping the students to deepen their knowledge, their analytical skill and to help them to see how theory applies to practical life.

3. Since **inplant or shop floor** training is an integral part of the programme, it is highly desirable that class room sessions on the theoretical aspects of management be related to what the trainees are experiencing during their inplant training. The two should feed into each other.

4. Experience shows that students can take sessions of **1.5 hours** each, and the best in that case is to have some theoretical input as well as a practical exercise during the same session, so that one can make sure that the trainees have grasped the substance of what has been taught. Class sessions can be held five times per week, on regular basis, and timely attendance should be insisted upon. For candidates who have not lived by the clock in their villages, this discipline is a training by itself. It teaches them to be disciplined in their lives of entrepeneurs, and not to proceed by whims. If a candidate is absent from class, he should be hauled up.

5. **The staff** should be experienced, because teaching management to village youth is a fascinating but challenging task. It requires more imagination and capacity to share knowledge than teaching in a postgraduate business management programme. n this case the trainers must come down to earth and they cannot hide behind jargon.

The core staff should be closely associated with the whole programme and keep a tab on what part-time lecturers are teaching. They must find out whether the trainees understand what is being taught and whether they see the thread that runs through the whole programme. Inviting part-time lecturers should not be used as a way for 'obliging' people to whom one owes something. If it is found that a part-time lecturer does not get across to the trainees, he should not be asked again.

It wlll be advisable to have a system for obtaining feedback from the students on each of the teachers full-time and part-time, who have taught them, so that consistency and method is maintained in this delicate matter of obtaining feedback.

The trainers who are invited to address the students, should have a thorough idea of the profession of entrepreneurship in its totality and of the problems that entrepreneurs face. They should also be conversant with the overall objectives of the EDP and of the order of priorities of various training inputs. It has to be avoided at all cost, that trainees get an undigestable piece of information from some part-time staff member whose meaning they do not grasp, or that does not fit into the overall strategy of training.

Trainees should not be frightened or confused by what they are given in class, for this would demotivate them, and make them lose self-confidence. The core staff has therefore to be very closely associated with the programme, and even sit in on lectures delivered by part -timers, and if necessary explain again what has been said in words understandable to the trainees. Only in this way can a **guru - chela** relationship be built up with the candidate.

·3 TRAINING CONTENT

1. **A general scheme** of the content of managerial training is found below. But to expect a detailed syllabus that is universally applicable, would be unrealistic. In this matter each training organisation has to experiment and gradually find out what is the best mix or sequence of subjects. The mix differs also from audience to audience. A team of trainers will after two or three trials in that line, find out what works and what does not.

2. **Scheme of Subjects :** The following is a scheme of management subjects that has grown out of a five year experience in training tribal village entrepreneurs at Ranchi. This scheme does not contain the motivational inputs. more detailed curriculum is found in the Appendix.

Subjects	**N of class Sessions (one and a half hours)**
1. The entrepreneur and his role in society	4
2. Communications, basic concepts and skills	8

3.	**Principles and Practices of Management**	8
4.	**Business Mathematics**	6
5.	**Accounting**	8
6.	**Costing**	6
7.	Storekeeping and purchasing	6
8.	Marketing and sales development	4
9.	Taxes and Laws relating to shops and establishments	4
10.	Information about Government infrastructural facilities, commercial banks	6
11.	Market Survey	15
12.	Project Preparation	15
13.	Group discussions on practical problems	12
14.	Talks by successful entrepreneurs and shopkeepers	8
15.	Games and Mock sesssions	8
	Total	118

CHAPTER VI

SKILLS TRAINING AND PLACEMENT FOR PRACTICAL TRAINING IN MANAGEMENT

This chapter deals with two distinct but related matters: (a) The training of the young entrepreneurs in the skills of his profession, whether it be grocery, cycle repairs, tailoring, and (b) on-the-floor training in the practical skills of management, the theory of which he aquires in class room sessions.

A characteristic of the EDP, as visualised in these guidelines is that in these two aspects of training, the training agency relies heavily on small shopkeepers, who train the village entrepreneurs as apprentices. They function as on-the-job trainers. This approach has certain advantages but also disadvantages, and the shop-keeper trainers, to be effective, need a great deal of encouragement and follow-up.

1. TRAINING PRACTICAL SKILLS

A good training in the skills of one's profession is as essential as a managerial training. A candidate who wants to open a tailoring shop, must not only be a good manager in order to succeed, he must be a good tailor as well. The question is: who will teach him tailoring an institution or a practising tailor? We advocate here the second alternative.

1. **Learning the traditional way :** In the matter of acquiring a practical skill, it makes a lot of sense to adopt the traditional way through which skills have been handed down from generation to generation in India, non-formal training, between father and son, or master and apprentice.

2. **Advantages :** The following can be listed :

a. **Low Cost :** The on-the-job trainers who undertake this task do not charge any fee, some even give stipends to the candidates for the work the latter do. The resources at their disposal provide a good opportunity to provide practical training without any additional costs. The overheads are very low or nil.

b. **Down to-earth:** No big theories are sold, but everything is down to earth and practice centred. Since the candidate works usually in a small place; he can get an overview of the whole business in all its aspects. He gets his training in a setting which is similar to the one in which later on he will exercise his profession as an entrepreneur.

c. **Time-saving:** The candidate spends only that amount of time on each aspect, as is necessary to pick up the needed skill. It takes less than four months to gain practical skill on a welding set, whereas for learning the same in a technical institution, he would spend one year.

d. **Mass scale training:** A large number of candidates can be trained at a time. Thousands of on-the-job trainers can be pressed into service. One could speak of training of the masses by the masses.

e. **No inflated expectations:** Most students who get into contact with the formal sector of education, leave their institutions with high expectations and a demanding attitude that their 'rights' be fulfilled. This applies even to students of technical schools, who under the Apprentice Act have to be given scope to work as apprentices in industries for some time. They afterwards want to be assimilated into the regular workforce. With candidates trained according to the non-formal method, this problem of unrealisable expectations does not arise.

3. **Disadvantages:** The non-formal approach to skill training also carries serious disadvantages. It is at best a "**Kuchcha**" training. *

a. **Absence of scientific base:** The majority of on-the-job trainers who are pressed into service, have learned their skills by trial and error, and often do not understand the underlying theory or justification of what they are doing. Some of these practices may as a matter of fact be wrong practices.

* **Kuchcha** in Hindi means that what is **half -baked, half-ripe, not properly done.** Its opposite is **Pucca, properly cooked, fully ripe, excellent.**

b. **Provisional approach:** The non-formal approach is at best a provisional one. No country can advance and thrive if a very large number of its technicians, mechanics, and skilled persons, including entrepreneurs, are not exposed to the **basic theory of their profession.** This pre-scientific approach does not equip trainees to cope with innovations.

4. **Role of Technical Institutions:** Till such time comes when fully-equipped resource centres can be set up for training young entrepreneurs, the existing technical institutions could play this role and provide the scientific and theoretical complement to the practical shop-floor training that is being provided by barefoot trainers.

It is the task of the sponsoring agency to find out which technical insitution or craft centre in the neighbourhood could undertake this task, and if possible enter into relationship with it, as a **link-agency.**

2. SUPPORT OF ON-THE-JOB TRAINERS

The role of small shopkeepers, whose services are used for the training of candidates, can be improved if the training agency keeps in close contact with them. They can be motivated to see the importance of the role they play as trainers. The following points need attention:

1. It is for the EDP staff to convince the shopkeepers that the trainees, will not turn into competitors, once they are trained. The latter will be so far away in the villages that shopkeepers in town need not be afraid. It can be shown that by agreeing to train village entrepreneurs the shopkeepers help in establishing a new urban-rural nexus, which will generate wealth in the villages, to the benefit of all. Training village entrepreneurs is therefore in the long-range self-interest of urban entrepreneurs.

2. The EDP staff can provide emotional support to the on- the- job trainers. A sense of participation in an adventure can be generated in them. They can be invited to the training institution on important occasions such as opening or closing functions. The best trainers amongst them can even be given an award, or be honoured in other ways

3. It can be shown to them that by assuming this role they fulfil their social responsibilities, and improve their chance for survival. Their name and prestige will improve and people will respect them. This implies that the training organisation itself enjoys a certain name in society, so that small shopkeepers feel that by associating with it, they improve their own standing.

4. Finally, it should not be difficult to show how by functioning as trainers, the shopkeepers will themselves learn more about their profession.

5. Ex-students of previous EDPs, who may happen to be established close-by should turn out to be the best on-the-job trainers. They know the approach of their alma-mater, and will be happy to pay off a debt of gratefulness.

3. BRIEFING OF TRAINERS

Besides being supported emotionally, the trainers, in order to be effective in the shop-floor training they provide, must also be properly briefed by the EDP staff.

1. **Integral approach:** The on-the-job trainers should be properly briefed about the purpose of the whole programme and be given detailed instructions. Care has to be taken that candidates are exposed to all the aspects, of their skills, and management of a shop, and that the shop-keepers do not hold back any secrets. One should aim at a systematic manner of procedure.

2. **Evaluation:** They must also be told **how** they should supervise the trainees. A suitable pro-forma with a simple scoring system for different aspects, such as a regularity in attendance, application to task, keeness to learn, readiness to make extra efforts, politeness, team work etc., should be explained to them, and they should be asked to fill it in carefully and not merely as a formality.

3. **Duration Of Exposure:** A trainee should devote six to seven hours a day in the work centre, so that he develops a working habit and learns to apply himself fully to his task. The trainer has to pay special attention to timeliness in attendance.

4. Visits by EDP Staff: The EDP staff should exercise a close supervision over the shop-floor training, and regularly visit the trainers and discuss the progress of the trainees with them. Such visits will give a deeper understanding of the performance of the trainees than formal and written reports. Both forms of feedback are however necessary. It motivates the trainees well, if they know that the EDP staff come and visit the shop where they are working. At times these inspections may be in the form of surprise visits.

5. Evaluation of the trainers: The performance of the shop-keepers should also be periodically reviewed. Those who do not give satisfaction should not be asked to train new batches of trainees. Care has also to be taken to see that they do not teach malpractices or undesirable activites to the young entrerpeneurs. Experience will teach who are the best trainers, and only those should be retained for future programmes. Incidently, EDP staff will also have to check whether in the name of training, the shopkeepers do not extract unpaid labour from the trainees or exploit them in other ways.

6. Giving feedback to the trainees: The substance of the report sent in by the shopkeepers, should be communicated and discussed with the trainees. It will motivate them to do well in their practical training and will enhance the status of the on-the -job trainers in the eyes of the trainees.

4. DURATION OF SHOP-FLOOR TRAINING

Some professions, for instance grocery, can be learned more quickly than others, be it tailoring or radio-mechanics.

The EDP does not last longer that six months. If this period does not suffice for a trainee to pick up the required skills and attain the necessary self-confidence, so that he can proceed on his own, arrangements have to be made to prolong his shop-floor training, till he feels that he can run a small business on his own.

5. FIELD WORK AND VISITS

1. It is not advisable to associate a trainee with only one work-centre during his six month's training. A certain amount of **rotation** may be attempted, so that the difference of experience, enriches the practical grasp of matters. One tailor who functions as

on the job trainer, for instance, may be very good in his skill as tailor, but rather poor in costing, while another's strong point is his marketing approach. It is obvious that young trainees should be able to learn from each of these persons.

2. The shop-floor training should be supplemented by a certain amount of field visits to industrial estates, industrial fairs, successful entrepreneurs of earleir batches, banks, government offices meant for assisting entrepreneurs. Such visits help to widen the horizon of the trainees, to give new ideas to the trainees, and they provide the opportunity to establish contacts, useful for the future.

3. A good way of organising field visits is to invite an entrepreneur, whose shop one intends to visit, to come and address the students. One then takes a batch of not more than 3 or 4 students to his shop and encourages the trainees to ask questions. If possible they should have had a look at the project report of the enterprise before the visit and then compare it with the reality. After the visit there should be further discussion on what they observed.

Such visits, if properly escorted and prepared, stimulate the motivation, creativity and self- confidence of the trainees. They grow in confidence at seeing what their colleagues of earlier batches have achieved.

The visit of enterprises which are not running well should not be shunned. It provides an opportunity to analyse the situation, to find out the reasons of failure, and to propose a solution. Here as in case studies, we can often learn more from failures than from successes.

CHAPTER VII

MARKET SURVEY AND PROJECT REPORT

The market survey and project proposal are important steps in the transition of the entrepreneur from training to launching his business. A viable project proposal is also a sure sign that the training has been successful and that the entrepreneur has undestood the purpose of the whole programme.

The market survey and project proposal have to be completed before the training is completed. The candidate must be able to count on the advice of the EDP staff, and possibly the bankers, who later on will assist him with finance. To expect him to fend for himself in this difficult transition period would be irresponsible on the part of the EDP training agency.

In this chapter guidelines are given about conducting a market survey and drafting of a project report.

1. MARKET SURVEY

1. General Survey and Market Survey: In the field of entrepreneurial promotion a distinction has to be made between two types of surveys: the general survey of an area on the one hand, and the small market survey that the candidate himself makes in view of drafting his project proposal.

The **general survey** covers a whole District or area, and is usually undertaken by the Government, the industrial development bank, the lead bank or another governmental organisation. In this exercise a study is made of the resources of an area, its needs and the prospects for further development and development of economic activities during the years to come. This survey gives a rough idea of what type of small industries, shops and services will be needed.

Such information is useful for motivating people before an EDP is started and candidates are selected. It prevents the danger of training young entrepreneurs for lines of business for which there will be little scope.

In the case of village entrepreneurs however, the business volume is so small, that a general survey is really not needed, and need not be undertaken by the training institution. But a project must always be based on the resources, opportunities and needs of a particular locality. If it can be arranged, the best may be to hold some brain storming sessions with the people, in order to help them to become aware of the resources and opportunities that are available in their area, and then to rely on their judgement when they depute their young men and women to be trained in entrepreneurship. Making or keeping people alive to the new opportunities that arise in an area for individual or group entrepreneurship, should become part of a wider programme of promotion of self-employment in rural areas. If this is not done, a few trades will soon be overcrowded, and people may lose interest in the EDP.

An agency training entrepreneurs should by all means try to obtain copies of any such surveys which might have been conducted about the target area from which it draws the candidates, and use these reports in its training programme.

The **market survey** on the contrary is an exercise undertaken by **the candidate** himself in a restricted area of a few villages at most, in order to find out whether there is demand for the partciular product or service he wants to market, and what would be the volume of demand. It should be clear from this whether or not the proposed business would be viable.

2. Preparing for the market survey: In the course of his managerial training, the candidate has to acquire a working knowledge of basic concepts that are used in marketing such as: market, marketing, market survey, offer and demand, competition, income, price, costing, distribution, purchase, turnover.

He can be shown examples of good market surveys made by earlier batches. It also helps if a standard pro-forma is drawn up for conducting a market survey. The candidate then knows on what aspects of the market he has to gather information. A copy of such a schedule is given in the appendix.

3. **Briefing candidates:** Before the candidates are sent out to their respective areas, they should be asked to determine the geographical area that they intend to cover in their survey and their business. They should be told what to look for and from whom they can obtain information such as village elders, teachers, bankers, educated, persons, colleagues of earlier batches.

4. **Timing of the market survey:** Two weeks should be set aside for the market survey. It can come towards the end of the fourth month of training, so that enough time remains for the candidates to write up the findings, to digest these, and to return to the area for further information if the need is felt, or to do another survey, in case it is found that there is no scope for the particular product of which he was thinking. The exercise should be completed by the middle of the fifth month, so that 1½ months can be devoted to the drafting of the project report.

5. **Changing the product or area:** The market survey may show that there is no scope for the product or type of business of which a candidate has been thinking since he joined the EDP. In that case he can change his line of production, but this may be difficult. A candidate who has been trained as a tailor can perhaps switch over to grocery, but not to radio repairs. Such changes should be very rare. The other possibility is to go to another area. He will need the advice of the EDP staff in this matter.

Over-concentration of village entrepreneurs, engaging in the same trade must be avoided, because it leads to competition, unless they work with each other on a co-operative basis.

6. **Final choice:** The final choice of type of business and area of operation must remain with the candidate himself, for it is he who takes the risk.

The market survey and project proposal should force the candidates to clarify and sharpen further their intention. By the time the young entrepreneur leaves the training institution there must not be any doubt or confusion left in his mind as to what exactly he wants to do. Later on he may change his objective, but that is another matter.

II. PROJECT PROPOSAL

1. Description: A project proposal or report is a rather short and prosaic document, but experience shows that few people can express their ideas in the form of a project proposal that fits properly together. A young entrepreneur who can draft a workable project proposal, obviously with the help of the EDP staff, shows that he has caught the basic idea and skill of entrepreneurship.

We therefore like to consider the project proposal as a kind of certificate which the young entrepreneur writes and gives to himself, at the end of the programme, testifying that he has successfully passed the training.

The project proposal is a **statement of intention** by the entrepreneur that he wants to undertake a concrete business in a particular area. The candidate justifies his choice on the basis of field information gathered during the market survey. He indicates the scope and demand for a particular business and the volume of turn-over that can be expected.

He further estimates the amount of investment that will be needed and the profit or benefit that can be expected from this investment. He enumerates the inputs he will need, in terms of space, equipment and tools, raw material, personnel, working capital, and the expected output in terms of sales of finished products, employment generated and surplus made. He shows what will be the minimum investment which will be needed for starting the business at a viable level.

The entrepreneur also calculates how many months it will take before the business begins to yield returns, and the time required to pay off the loans, he has taken. When dealing with investments he indicates

how much of the capital he can raise from his own resources, and how much will have to be borrowed, the amount being kept at a minimum so as to minimise the burden of debts and interest.

2. **Content of project proposal:** Talking in more technical terms, a project proposal usually contains the following sections:

a. Brief description of the project, background of the area, justification of the project.

b. General information that is of relevance to the project.

c. Abstract of investment and financing, conditions of bank loans.

d. Detailed list of price of investments, land buildings, tools, raw materials, which are required.

e. Profit and loss account.

An illustration of a simple project proposal is given in the appendix. A project proposal can be a short document, but it must contain all the necessary information that a banker wants to have in order to decide whether a project is worth financing or not. A training agency running an EDP for the first time, is advised to consult bankers at the time when project proposals are drawn up.

3. **Advantages of project proposal:** Most enterprises that exist today never had a project proposal as their base, except in the form of an idea or intention in the mind of the person who launched the enterprise. But today, no bank or financing institution is ready to advance finance, unless a project proposal is drawn up, however small the project may be. A project proposal has many advantages:

a. It forces the entrepreneur to put down his intention in black and white, and to be very specific. This implies a mental discipline that will be useful in his further career.

b. It is a document against which he can later on compare his actual performance, to find out when deviations took place and the extent of deviation, so that remedial action can be taken if necessary.

c. It becomes a good training tool for future generations of entrepreneur candidates.

d. It helps to spread the skill of project planning, which is a basic management skill that people should know in order to manage their lives better.

4. **Working capital:** In this matter "small is beautiful", and the working capital should be reduced as much as possible. It may not be necessary to acquire a big stock of supplies because this might become dead stock. Better perhaps to start with a smaller stock and to renew it frequently, provided the cost of transport to the nearest market centre does not exceed that of carrying a larger stock. The stock should be kept as low as possible, according to the anticipated number of customers. Experience will show quickly enough which are fast selling and slow selling items.

The list of items to be acquired as fixed investment or as stock should be established in consultation with an experienced entrepreneur in the same trade, perhaps the person who has provided the practical shop-floor training. To check up the amount of loan that is required, a bank will ask for the bill of item to be purchased. This should be furnished.

5. **Cutting down on overheads**: The biggest businesses in India have started under a tree or in a shed, and it is wise to follow this tradition and to cut down on plant and overheads as much as posible, rather than burden the young entrepreneurs with expensive buildings, as is at times done in industrial estates.

Village entrepreneurs do not really know as yet ,the value of money and they have a tendency to apply for too large loans, not realising the burden that they thereby lay on their own shoulders. It is for the EDP staff to see that candidates trim down their loan requirements to the bare minimum. On the other hand, it may require six months before a business starts yielding profit. In the meantime the entrpereneur has to live, and provisions have to be made for this period.

CHAPTER VIII

FINANCING AND FOLLOW-UP, INSTITUTIONAL LINKAGES

This chapter deals with what should be done for the entrepreneur, once he leaves the training institution. If this is not properly worked out before hand, the six months training, however well conceived, may lead to nothing as is proved by the low percentage of successes of programmes which from the point of view of training were otherwise adequate.

Follow-up of the young entrepreneurs, especially during the period that they are setting up their business, is vital and has to be systematised, without falling into the excess of what is called ' spoonfeeding'.

Different institutions and agencies have to co-operate with each other, the chief one of which is the **link agency** already mentioned earlier. Hence problem of finding a proper interlinkage at the institutional level.

I. FINANCES

A variety of sources exist from which the entrepreneur can draw his finances, but each has advantages and disadvantages:

1. **Own risk money:** Investment of one's own money and the risk involved therein belong to the essence of entrepreneurship. Each candidate is expected to invest some money of his own. A business run entirely on money obtained from somebody else would not be advisable, or even feasible.

The proportion of own risk money to total capital invested, is a measure of the seriousness with which the candidate undertakes the challenge of self-employment. Tribal entrepreneurs in Ranchi can contribute from 50% to 75% of the funds required, from their own savings, or from family members or friends. This will also raise the expectations of the family members vis-a-vis the one they have

helped, but it fits in with the tradition of the tribals. As a matter of fact many tribal families hesitate to take bank loans, as they are afraid that they will not be able to pay them off. This apprehension is not without foundation.

2. Loans from Banks and statutory bodies : Besides the commercial banks, a variety of other agencies are available, and the training organisation has to find out which agencies are keenest to help the village entrepreneurs, and not hesitate to promote a certain amount of competition in this matter between the financing agencies.

Loans from banks are available at differential interest rates of 4% for persons with an annual income below a certain ceiling and for loan amounts which have also a ceiling. In mid-1980, at the time of the drafting of these guidelines, for instance, it was available for persons with an annual income of less than Rs 3000, in urban areas and Rs 2000, in rural areas, and for loans not exceeding Rs 15,000.

These rules however go on changing, and relaxations are made by the government for certain underprivileged groups such as scheduled castes or tribes or backward communities. It is for the training institution to keep up to date about these developments and to pass on the information to the ex-trainees, by means of a newsletter.

3. Loans from Co-operatives, or saving clubs: If effective co-operatives exist in the area, finance can be obtained from them. This will usually be on terms which resemble those of the banks and statutory bodies, though the rate of percentage may be lower.

Care must however be taken, because in several areas co-operatives are not free from corruption, and they would only catch the young entrepreneurs into a net from which the latter cannot extricate themselves anymore.

In areas where people have started their own **saving clubs**, and these clubs have collected a certain amount of money, the fund could be used for financing the young entrepreneurs that have emerged from the community. It would be a concrete expression of the role

of 'god - father' that the community continues to play vis - a - vis hem. Care will have to be taken that there is no abuse or exploittation from other sides, because one party is cleverer or more powerful than the other. Everything should be done with the aid of written documents and on the basis of a contract that clearly lays down the terms and conditions of the loan.

4. Money lenders: Officially money lenders have been abolished but all that has happened is that they have gone underground and that the 'professional' moneylenders of earlier times have been replaced by wealthy farmers from the community itself, who lend out money or take land on mortgage.

Loans from such sources must be avoided, because they are ofte illegal and exploitative in nature. Care has to be taken that pushed by sudden needs the entrepreneurs do not take loans on the sly from such sources. This is a matter that needs investigation when follow- up visits take place.

5. Loans or subsidies from donor agencies: It is advisable not to issue loans or subsidies from such sources, because it brings both parties to grief. Young entrepreneurs believe that if they do not repay the loan, these bodies will not take them to court. Bad debts accumulate and relationships with ex-trainees sour up.

If funds from voluntary agencies are available for the promotion of entrepreneurship it is better to spend them in the form of stipends, or to place them in a bank, but it should be the bank which issues the loans. A certain amount of fear is necessary to motivate the entrepreneurs to repay their loans, and this the banks can inspire. From the stipends given to entrepreneurs during their training, a certain percentage can be withheld and deposited in the bank in the name of the candidate, and be used to build up the seed money with which he starts his business.

6. Securing Bank Loans: Securing finances from statutory bodies involves the following steps, and the trainees will need the assistance of the training institution here:

a. Preparation and presentation of an acceptable project proposal: This has already been discussed.

The trainee should know thoroughly well his own project report and be able to answer any questions the banker may put to him. The choice of the scheme is his, but the sponsoring organisation should help him to make the correct choice. The success of his centre depends on it.

It is advisable to organise mock interviews between trainees and real bankers, in the course of the EDP, so that the former can know what questions and objections to expect and can prepare themselves.

b. Completion of loan application form of the bank.
Most trainees may not be able to do this unaided, for banks make these forms quite complicated. The EDP staff have to lend their assistance here. A copy of a loan application is found in the appendix.

c. Recommendation: It helps the bank if the application is accompanied by a letter of recommendation of the training agency or the link agency, especially once the latter begins to be known as being effective in training village entrepreneurs. It is also good to ensure that applicants do not owe loans to any other bank.

d. Distance: Banks may find it difficult to finance an entrepreneur who operates outside a radius of 15 Km from the bank office, but it may be willing to finance them if several entrepreneurs live in a cluster. This is why it is advisable at the time of recruitment to see that entrepreneurs are selected from such clusters rather than from the whole district.

e. Disbursements : The procedure followed by the bank should be explained to the trainees. A certain pattern is followed: disbursements first for building, then for machinery and equipment and last for working capital. The bank also disburses loans directly to the suppliers of goods and machinery.

7. Standing guarantee : Before issuing a loan, a bank normally requires a party to stand guarantee. If the training institution has certain funds at its disposal, the bank may request that the training institution fulfils this function. This should however be avoided, because it may incline the bank to sit back and then to draw from the guarantee fund of the institution, if one or other entrepreneur defaults.

It should be made very clear that the follow-up in matters of loan repayment is a joint venture by the sponsoring agency and the bank, in which bank personnel should be as active as the EDP staff themselves.

Once a training organisation and its link agency become better known banks are often satisfied with a 'moral' guarantee, whatever that means. This is a form which a training institution can accede.

A moment comes, as a matter of fact, when banks begin to vie with each other to finance village entrepreneurs and this is how it should be. The sponsoring agency can then use its position of strength to promote a healthy competition between the bankers.

II. FOLLOW-UP

During the first months of his entrepreneurial career, the young entrepreneur, like a young tree, needs special care. Once he reaches take-off he needs less attention, though one should always watch for signs of crisis.

1. Functions of follow-up : Effective follow-up achieves the following:

a. It ensures that the trainees make good use of the training they have received and that money is being utilised for the purpose for which it was given.

b. It sees to it that he sends regular progress reports, the substance of which is entered into the history card, which is kept of each entrepreneur in the EDP office. (See Appendix)

c. It is an expression of concrete concern by the organisation, which is a post-training motivating force as mentioned earlier. It also assures that the entrepreneur does not fall into bad company or bad habits, which would be discovered when it is too late to apply a remedy.

d. It impresses the entrepreneurs to repay their bank loans, and if there are genuine difficulties it gives information to the training institution or link agency, which can be passed on to the bank.

e. It **provides valuable feedback** on the effectiveness of the training itself, and inputs which can be used for training of subsequent batches.

f. **Practical tips** can be given to the entrepreneurs on how to tackle some of their problems.

2. **Strategy for follow-up :** Follow-up requires a lot of energy in terms of money, man-hours, travelling time spent, wear and tear of vehicles. It has therefore to be made as effective as possible, with the least cost. The suggestions that follow are to be read in that light.

a. Better and less costly follow–up can be assured, if entrepreneurs can be selected from clusters of villages. In one follow-up trip comparatively more ex-trainees can be contacted for less cost, than if they live widely dispersed. They can also encourage each other, and watch out and inform the sponsoring organisation or link agency, if they note something unusual with one of their colleagues.

b. It is advisable if the routine reporting as part of the follow-up can be entrusted to the link agency, which has field workers stationed in the field. These field workers should be trained as a kind of bare foot consultants for the entrepreneurs who regularly report to head–quarters or to the training agency and flash the red light if one or other entrepreneur is having trouble, so that the staff of the training institution can intervene in time.

c. Occasional follow-up information can also be obtained from other responsible persons in the community such as teachers, members of the village council. They will throw light on the social role that the entrepreneur is playing in the community.

d. During the initial months every fledging entrepreneur should be contacted once a month by the field personnel of the link agency. Later on this frequency of contacts can be reduced very much.

e. The follow-up cannot entirely be left to the link agency. The sponsoring agency must send out its own staff to personally visit the trainees. Ideally each trainee should be visited in this manner twice a years, as a minimnm. The training institution need not wait

for a request or distress signal from an entrepreneur, in order to visit him. Personal visits should take place as soon as news is received that somebody needs help.

f. The training agency remains ultimately responsible for the follow-up and the link-agency can at best assist it, in this task.

g. By way of keeping in contact with the trainees, a newsletter can be published with information about government or bank policies. market trends, stories of successful and less successful colleagues. This newsletter should reach all the old trainees, as well as the leaders of the local rural centres of the link-agency who are assuring the social encadrement of the entrepeneurs.

h. If the trainees live in clusters around growth centres, one-day seminars or refresher courses can be organised there, to give them the opportunity to meet each other, and the EDP staff and to share experiences, and update their knowledge. Such seminars should be organised by the sponsoring agency, and local bankers can be invited. As a matter of policy EDP trainees living in a particular area should be encouraged to meet each other quite frequently.

3. Requirements for effective follow-up

a. An adequate number of staff are required. It is estimated that one person is able to keep track of 30 trainees in one month.

b. The EDP staff cannot be expected to rely on public transport for visiting the trainees. They must have vehicles preferably motorbikes, at their disposal with which they can reach most places in rural areas.

c. Follow-up costs money, but it may turn out to be the critical factor in assuring a high rate of success. Government and donor agencies should therefore consider expenditure on follow-up in that light and not grudge expenditure of money.

III. INSTITUTIONAL LINKAGES

The different institutions of which mention has already been made earlier have to link hands, in order to assure an effective follow-up of the entrepreneurs once they have completed their training.

1. **Role of Link Agency:** During follow-up the link agency assumes again a very important role, analogous to the role it played during pre-training selection and motivation.

2. **Guidance Cell:** An effective way of assuring this interlinked assistance to village entrepreneurs is in the form of a guidance cell, that meets at regular intervals. On the guidance cell sit representatives of the banks, industries department, and all other organisations which have a stake in the follow-up and success of the entrepreneurs. The entrepreneurs are given an opportunity to explain their difficulties, and are given advice by whosoever represents the department to which the problem primarily belongs. Different experts can consult each other on the spot and decide about suitable follow-up action. The entrepreneur is thus saved the trouble of being sent from pillar to post, or from hearing contradictory or confusing messages.

Guidance cells can play a useful role once village entrepreneurs take up small village industries. They are not required as long as the VEs engage mainly in trade, repairs or minor services.

3. **Raw Materials and Market:** As long as village entrepreneurship is restricted to trade or such services as pump repairs, the services and goods produced are consumed in the village itself and the market poses therefore little problem.

But the role that such activities can play in the diversification of the village economy and increasing village wealth is also limited. Any training agency aspiring to train village entrepreneurs must therefore face the problem of one day promoting production oriented activities, and provide all the facilities are required.

In this case the provision of raw materials and the marketing of finished products assumes critical importance.

It will then be the task of the training institution, in conjunction with the link agency to eatablish good relations with the District Industries Centre, and other agencies set up by Government, not only to provide financc, but also the necessary raw material and marketing of products.

4. Evaluation: It is useful for a sponsoring agency to have its EDP programme evaluated by an outside agency, so that an objective picture can be obtained.

A period of five years, could intervene between such evaluations.

CHAPTER IX

THE CHALLENGE OF GROUP ENTREPRENEURSHIP

Vital though the role of village entrepreneurs working on their own be, the revival of village economies depends mainly on group entrepreneurship. How to train people for group entrepreneurship is something about which relatively little is known, and it is more challenging to promote it than individual entrepreneurship.

In this chapter, a description is attempted of what is meant by group entrepreneurship, and why it is so important in rural areas. The weaknesses of group entrepreneurship are also enumerated, and some suggestions are made on how a community can be escorted into group entrepreneurship.

1. THE WHAT AND WHY OF GROUP ENTREPRENEURSHIP

1. Description : By group entrepreneurship is understood any kind of income generating activity undertaken by people in a group, on a voluntary and continuing basis, in areas of endeavour that do not lie in the tradition of the particular group, or that is carried out in a manner which is different from the traditional way of doing. The group is responsible as a group for the finances invested in the venture. It shares the burden of risk taking and also the benefits arising therefrom.

The characteristics which were identified in chapter one as belonging to the essence of village entrepreneurship: (1) self-employment, (2) innovation or innovative imitation, (3) investment and responsibility for financial investments, and (4) risk taking, do not only belong to individual persons, but can also be found or promoted in groups.

Examples are: villagers who begin a savings club, a village which installs a bio-gas plant with connections to each house, a group of women who make and sell mats made from palm leaves in a co-operative manner, farmers who acquire cross-bred cows and sell their milk on a co-operative basis.

Village co-operatives are one expression of group entrepreneurship, but group entrepreneurship may take other forms than a registered co-operative society.

2. **Importance of Group Entrepreneurship**: Several reasons indicate the importance of group entrepreneurship:

a. In a society that is becoming organised, the rural people will suffer more and more from exploitation unless they in turn get organised. Group entrepreneurship is an economic expression of people's power.

b. Group action is imbedded in the traditional village life, but unfortunately too many of these traditions of co-operation have been allowed to die out, because they were considered as outdated, or they were not upgraded or given a new meaning. Group entrepreneurship, based on such traditions, helps to upgrade the culture and gives pride to people.

c. The assets of people in rural areas, be it land, water, equipment, have due to population growth, become so small that the only rational way of exploitation and maximising them is in the form of co-operative ventures.

d. Since long the **Government** has advocated rural co-operatives in different shapes and forms as **the** most desirable manner of organising economic life in the villages, and protecting the people against exploitation. Unfortunately no strong co-operative movement has grown up amongst the grass roots.

e. **Innovation** is necessary. Accepted by the group it will be slow but more effective than if just one individual innovates. In the latter case, the jealousy of others may prevent the individual from succeeding. In group entrepreneurship there is also less chance for exploitation by particular individuals.

f. Business acumen and entrepreneurial skills are not widely spread in rural areas. In group entrepreneurship the more enterprising, intelligent and dynamic persons can help the weaker ones ,more than if they just become individual entrepreneurs.

All these arguments, however, do not take away from the value of individual entrepreneurship, both forms are needed in the rural areas.

2. WEAKNESSES OF GROUP ENTREPRENEURSHIP

Many a co-operative venture has failed in the villages because of one or other of the flaws mentioned below. People have to be warned against them, when they are being escorted towards group entrepreneurship.

a. Though co-operation is part of the tradition, village people find it difficult today to work with each other in modern forms of co-operation. They may have lost trust in each other. A smooth transition from the past to the present has not been made. Amongst certain groups, for instance tribal people, there may be psychological barriers such as an excessive sense of equality, because of which they do not readily accept leadership of one of their members, but rather rely on outside leadership, which may exploit them.

b. In order to suceeed, group entrepreneurship presupposes a great deal of awakening and motivation amongst the people. This aspect is often neglected and co-operatives are launched as formal ventures before the people are really ready for them. Such co-operatives do not last.

c. After some time the interest of the people, their watchfulness and control slackens and the whole task of running the co-operative falls on a few shoulders. These persons may not be able to cope with the work or they may abuse their power and misappropriate funds.

d. It is the avowed policy of the Government to promote co-operatives but in its keenness to nurture them, the Government may fall into the trap of too much spoonfeeding or bureaucratic control, which prevent genuine growth of people's power, or may lead to corrupt practices.

e. Business interests and the present market structures are against group enterpreneurship and will do all in their power to kill initiatives in that line, or they use the facade of co-operatives to achieve their own purposes and exploit the people in the bargain. One is therefore likely to meet with a great deal of opposition, open and hidden, when one helps people to get organised for group entrepreneurship.

3. PREPARING A COMMUNITY FOR GROUP ENTREPRENEURSHIP.

In spite of the difficulties mentioned, it is possible to escort a community to the point where group entrepreneurship becomes possible.

The following points are born out of experience:

1. A community which wants to start group entrepreneurship exclusively because of economic motivation or prospects may not succeed. Economic interests do bring people together but they also divide them. More than economic bonds are necessary, such as cultural and social bonds. Group entreprenurhip is then only one form of the determination of people to do things together. The com.-munity will have to go through a rather long process of conscientization, education and organisation, before an actual start can be made with group entrepreneurship.

2. A proven method for this educational process is contained in the **Panchashila of People's Development,** which consists of the following five steps, repeated over and over again:

The staring of a co-operative will only take place at the fifth step and must be followed by ongoing cycles of awakening, education and organisation.

The Panchashila can be put in motion, by organising village seminars, where motivational games are played. Such seminars should be followed up by placing a village level worker of the link agency in a village or cluster of villages. Experience in tribal areas shows that a period of two to three years may be needed before people's projects can emerge from this process.

2. A sound educational principle is " to start from the known and go to the unknown". Start with forms of group entrepreneurship which tie up with the old traditions, of which traces may still survive in the village, and which can be given a new meaning. Such forms are likely to be found in the areas of: forestry, irrigation, cultivation of fallow lands, repair of village roads, fishing in ponds, rice banks. The starting of a savings club, though it may not lie in the tradition of the people, is also relatively easy.

3. Further, it is best to start with forms of group entrepreneurship that lie in the **Primary** sector of the economy, extraction, agriculture, forestry, animal husbandry, before proceeding to ventures in the **Secondary** sector, consisting of manufacturing and production, or repairs, and especially the **tertiary**, sector, which is the sector of services and trade.

It is easier to succeed in a co-operative venture of cultivation or exploitation of forest resources, or a stone quarry, than launching a weavers co-operative, because in the latter case the question of marketing becomes more pronounced. This iseven more acutely the case in co-operatives that are primarily marketing or trading ventures. Even there some products seem to be easier than others. A milk co-operative encounters less difficulties than a co-operative selling vegetables, potatoes, flowers, or fruits, or especially one selling handicrafts in the foreign markets.

4. When a community has gone for some time through the first three steps of the Panchashila and it feels ready to take up a form of group entrepreneurship, the time is ripe to see that some persons get

trained in basic skills such as management, accounting, dealing with government, marketing, production, packing, quality control. These persons can subsequently work on a full-time basis, but they should not become 'experts' who alone know how to accomplish that particular task. Accounts for instance should not be the preserve of one or two individuals only. The group has to remain awake and must grasp the totality of activities that go on in the group venture.

5. One should go slow in encouraging people to elect office-bearers. Let experience rather indicate who are the persons who really take an interest in the venture, those who are honest and sincere workers. Experience will by itself throw up the most suitable office bearers, and people will have no difficulty in identifying them.

One should also go slow with the formal registration of a group entrepreneurship project as a co-operative society, because the law may not really be adapted, and one or other zealous government official may want to impose changes or practices that are not according to the needs of the group. On the other hand it is good to keep in informal contact with such officers, and to ask their advice.

4. ROLE OF VILLAGE ENTREPRENEURS IN GROUP VENTURES

Certain tasks can be given to entrepreneurs who have been trained as individual eutrepreneurs:

1. One form of getting entrepreneurship going is for a few individual entrepreneurs to club together and to form the initiating core of a larger group. Such co-operatives by their nature will usually not permit that a large number of persons be involved. A co-operative of tailors in a village is likely to be a small group, and so is a group of young people who would run a bus service to the town on a co-operative basis.

2. The individual entrepreneurs trained in the training institution while carrying on with their own business can function as promoters of a group venture and then as honorary office-bearers or advisers.

3. The principle should be "one activity at a time". Even if one thinks of a multipurpose co-operative, it should start with only one

activity, and diversify later on, rather than start a variety of activities at a time. This would only confuse people and throw decision making onto the shoulders of 'experts'. Decision making, which is the essence of development, must remain with the people.

4. To remain an expression of people's power, a co-operative must remain understandable to them. This implies that group entrepreneurship in villages will for a long time consist of small ventures of a simple nature. It will be for the entrepreneurs who have been trained in the training institution to explain to the people what is happening, the nature of the problems that they encounter, and to function as their spokesmen when dealing with government officials or customers from the town.

5. A moment comes when such grassroot ventures have to affiliate with others and come under the umbrella of a larger, often state-sponsored, co-operative union. Matters become more technical and here again the services of the entrepreneurs who have been trained systematically should prove useful.

6. When promoting group entrepreneurship, the training agency and link agency will have to provide more intensive follow-up than is the case with the individual entrepreneurs. As a matter of fact a full time village-level worker may have to be deputed to the group venture. In this situation people should not feel that we are leaving them to their own lot, when they are in midstream.

7. How to help the people to identify and launch an income generating activity is a rather technical matter, and is found in the appendix.

CHAPTER X

SUMMING UP AND RECOMMENDATIONS

In the lines that follow, we summarise certain ideas that underlie the present guidelines but which till now may not have become very explicit. After that follow some recommendations for those who actually want to start with an EDP for village youth.

I. SALIENT POINTS

1. Training of village entrepreneurs is in a way, **a simple idea,** which is a pointer to its genuineness. Important achievements are often based on simple and true ideas. Village entrepreneurs can be trained, and this can in a small way contribute to the quickening of the rural economy.

There is no reason why, if these guidelines are followed, others could not achieve equally good or better results than the ones obtained at Ranchi, a success rate ranging between 50% and 60%, of EDP students actually setting up successful tiny businesses.

2. **That small is indeed beautiful** also in the matter of training technology, is borne out from the present guidelines.

a. One trains village youth for very **simple lines of business** in the rural areas, before attempting more challenging forms of entrepreneurship such as tiny factories or other forms of production units.

b. Village youth is thus enabled to become self-employed with **small investments** ranging between Rs. 5,000 and Rs. 10,000.

c. Ordinary shopkeepers are pressed into service as trainers, and **small establishments** are used as the places where future entrepreneurs are trained.

d. Risk taking and the basic skills of management are brought **down to the level where they really belong,** the lives of ordinary people.

e. One starts with the training of **individual** entrepreneurs, but aims at eventually enabling communities to take up **group entre-**

preneurship.

f. 'One makes best use of **'kuchcha'** non-formal ways of training in the expectation of eventually reaching more **'pucca'** methods of preparing village entrepreneurs.

3. The **inputs required** in terms of full-time staff, space, money, energy are **within the reach of many agencies,** governmental or voluntary. Results can be obtained if the sponsoring organisation is **entrepreneurial in its own culture.** It must be open to its environment, and have a capacity to enlist the assistance of other organisations.

The training of village entrepreneurs is an **open system,** into which many persons and institutions have to feed and play a role. Only if an institution can function as a **nodal point** for the combination of these various inputs, results can be achieved.

4. The tying up of various functions is rather complex, and therefore instead of having one agency as the hub of all activities it may be better for **two organisations to team up,** so as to form a pole around which the roles can be assigned. One agency could take care of the training, and the other of the rural 'encadrement' of the trainees in the field. A third institution, a technical school for instance, could even form the third pole. It could take care of the skill training of the candidates.

5. One has to be clear in one's mind **for exactly what one trains the young entrepreneurs.** Surely not to make them exploiters of their own people, but rather as a vanguard of small managers who can gradually help the people towards group entrepreneurship. In this matter, we are only at the beginning and the road may be long before the objective is reached.

6. Individualised care is necessary in an EDP for village entrepreneurs. Intensive follow-up must be assured, and there must be emotional identification with a particular area and group of people, so that one can be on their wavelength. **Entrepreneurs have to be trained in small groups.** Yet there is need for hundreds and thousands of them spread all over the country.

Many more agencies have to come forward to play the role of trainers, and non-governmental agencies seem well suited for the task, but government departments if they have the required entrepreneurial culture can assume this role as well.

II. RECOMMENDATIONS

For agencies which intend to launch a village entrepreneurship programme, we would make the following suggestions :

1. For a programme of this kind to succeed, there must be a **deep identification of the institution with the rural masses,** so that we get on their wave length, and the people feel that they are welcome, rather than merely tolerated.

2. The **village entrepreneur himself,** rather than the agency must be the **basic point of reference** around which the programme is built up. This requires a capacity to put ourselves into his shoes, to see problems from his point of view, to feel naturally what he needs, to see the snags as he experiences them, and to smoothen them out.

3. We must **believe to such an extent in the trainees** that they will begin to live up to our expectations.

4. It pays to **trust** in the basic goodness of other persons or institutions and to see them as allies. Let us not question too quickly the deeper motives of others. Through an attitude of openness, shopkeepers for instance can be mobilised to function as on-the-job trainers of the village entrepreneurs.

5. It is necessary to **start in a small way,** and with a certain amount of **self-confidence.** Let us not wait for the specialists and experts, or depend too much on their advice. In the training of village entrepreneurs everybody is to a great extent a self-made man. One learns by trial and error and by using one's common sense.

6. In this type of non-formal education, nobody can tell you the **last details** of how exactly a thing is to be done. Some guidelines

have been given, and for the rest it is up to each training agency to adapt, remove, add and subtract, depending on the specific situation in which it works.

7. A learning process of this kind, requires that one continually **reviews one's performance,** evaluates it, and thus learns by mistakes and successes. The day one thinks that the **best method** has been found, one declines as a trainer.

8. Training entrepreneurs is a **system** of its own and therefore before starting a programme, one has to be sure that **all the pieces of the system are assured.** If one piece is absent or fails, for instance proper financing, or the right type of follow-up, the whole programme may fail.

APPENDIX I: THREE CASE STUDIES OF VILLAGE ENTREPRENEURS

CASE - I

Elen Kachchap
1974

FAMILY BACKGROUND:

Elen Kachchap belongs to a scheduled tribe. He is a resident of a village adjacent to Ranchi Town. Illusion of the growing city and illiteracy in the family made him a drop out from the school. He took a wrong path in search of better living. Parents being simple and religious never forced him to do something of their liking. He on his own tried to settle with a few odd jobs and could not succeed.

TRAINING: In 1974 when the Xavier Institute of Social Sevice started an innovative venture in developing rural entrepreneurs, Elen found it attractive. He approached the person in charge of the course to know more about its curriculum. Fortunately the programme In-charge lived in the same village. All this contributed to proper motivation of Elen to join this training programme. According to his own interest he decided to become a photographer. He was placed under a professional photographer in a local studio to learn the techniques of the trade.

INVOLVEMENTS: His progress in learning theoretical and practical skills was appreciable. He was totally changed after going through the motivation course. Due to his keen interest he could learn the skill in a period of four months only. On the theoretical side also he was found good in calculating profits, keeping books of account and project preparation. Towards the end of the course he was very much determined to start his business independently for which he had alrady arranged rented premises.

SUPPORTS: As per the norms of the Institute, Elen had to apply to the local bank for financial assistance. After a few visits and some delay by the Bank Manager, he approached the Vikas Maitri Kaylan Sanstha for help. Members of the Sanstha found

him a good prospect so they decided to give him the required finance from the VMKS fund. With this help he started his shop at Hinoo Chowk in Ranchi town.

FOLLOW-UP: Success and failure:
In the beginning he started with enthusiasm and did well. According to the report of the E.D.P. personnel visiting his place, he was making progress and was able to earn sufficiently well. In the following year he deteriorated. On enquiry it was found that he was unable to save and pay his loan instalment. Slowly his capital investment also disappeared. This warned us about an alarming situation which become serious in the long run. We began to search for what could have been the cause of decline. It could be the personal habits of the entrepreneur. Secondly, may be that he was unable, to make enough profits.

In this case, the first cause was found to be the correct one. Elen was unable to save anything due to his extravagance in habits like drinking, clothes and perhaps gambling even. These drawbacks can be viewed from another angle. The motivation during the course was not sufficient and the follow-up did not affect him enough to keep him on the right track, therefore, after earning a handful, he fell into the trap of his old acquaintances very easily.

Recent visits disclose the fact that he realises his past faults but finds himself helpless in the surrounding environment. Perhaps his tribal background and the old habits forced him not to worry about tomorrow and think of today only. Naturally, he became irregular and lost his market. Since the last months he has closed his shop and is trying to hide his face. If very close attention and proper nurturing is undertaken he may be able to pick up again. This requires a great effort on the part of the institution, as care will have to be taken to keep him away from the environment which makes him helpless. During visits we found that his mother is also worried and is trying to persuade him to meet us and start afresh.

CASE:II

THE SUCCESS STORY OF BUDHUA

(An Entrepreneur trained in 7th-Batch - 1978)

FAMILY BACKGROUND : Budhua was born in a tribal family in a small village called Beritoli in Ranchi district, in the year 1962. His father was a poor farmer having hardly enough land to survive. As a result his father died when Budhua was only 10 years old. Budhua could not study beyond class V and even to reach this stage it took him more than the usual time. Even in these circumstances Budhua had a vision of doing something different and make a better living. The desire to become independent brought him to Ranchi town.

NEED : In the beginning of 1978 Budhua came to Ranchi town to live with his maternal uncle who is a rickshaw puller. But neither his uncle nor himself were interested in his becoming a daily earner. His entrepreneurial motive made him search for a better alternative. Through friends and relatives he came to know about the Xavier Institute and its entrepreneurship courses. At this moment he found his desire and need coming true and approached the E. D. P. Department for getting admitted to the next course.

CHOICE OF BUSINESS: In February 1978 Budhua together with his uncle walked to the Institute for making enquiries. At first we were surprised by his approach requesting us to admit a half-clad boy of 16 years age, but his determination to learn something special was very clear from his replies. We found him very keen to learn the tailoring skill which is considered a difficult one for a boy of such background. Even after probing during the interview we found him very firm about his choice. This was a real challenge for us also.

TRAINING AND INVOLVEMENTS: He went through the theoretical and practical training very attentively. In the very first fortnight we found a remarkable change in him after going through the motivation courses. He had to labour hard to learn the mathematical

portions, which were difficult for him because of his lower education level. He was placed with a local tailor for his practical training. He found the skill a bit difficult to learn in a short period of 6 month but with determination he continued to put in his maximum efforts. By the end of the course he could grasp most of the theoretical subjects but he required more time for mastering the tailoring skill. He continued to learn the skill with the same tailor-master. He had learnt enough to earn a daily wage of Rs. 2.50-to Rs 3.00 per day which was sufficient to keep him going. After completing another 4 months he became confident enough to start on his own in a small way.

STRATEGY: Though he had plans to start a tailoring shop at Kon-bir-Noatoli, at present he is working in the suburbs of Ranchi town. This is because of the need for finance. He has recently started his business by borrowing a sewing machine from a well-wisher in the town. He prepares readymade clothes suitable for rural markets and sells them in the nearby village markets. According to information received he earns about Rs, 200-per month from this trade.

One is astonished at the change in his behaviour, attitude and way of expression. He is now quite different from the Budhua in February' 78, a meek and wide-eyed boy afraid of speaking even.

FOLLOW-UP : Due to constraints of age he was unable to get the financial assistance from a Bank till 1978. This year we expect him to receive it and settle permanently. We are giving special care to see that he overcomes the hurdles and starts his shop at his own place. This is going to be an example for the village youths of the locality.

There are many like Budhua waiting for guidance and support in the villages of Chotanagpur. It requires a challenging effort to change them into prospective entrepreneurs.

All this proves that entrepreneurs are not only born, they can also be made.

CASE : III George Lugun
1977

FAMILY BACKGROUND :

George Lugun was born on 15th March 1951 in a village called Domtoli about 165 kms. from Ranchi town. The village is a very small one inhabited mostly by tribals. The only communication is by mud road and it is situated 10 kms. away from the market centre known as Kolebira. He grew up in the village until he finished his primary and middle school education in the near-by school. He could have completed the high school education at the age of 18, but his parents being very poor, with a burden of seven children, they could not help him to go further. Even the environment of the tribal village was not very helpful in showing him a better way of living.

NEED : With these circumstances prevailing in and outside his home, George had something different in mind. He wanted to learn and master a skill and to find a proper avenue. It is rare to find such determination in a tribal boy coming from a remote village.

TRAINING : George was happy enough to learn about the E.D.P. courses run by the Institute through his friends.

He approached the volunteers of the nearby Vikas Maitri Growth Centre for further advice.

He applied for admission to the training programme in 1977 January and he was selected.

His choice of business was also very relevant to his place. He was to open a cycle repair shop in Domtoli. This he had decided long before coming for the training in the Institute. He was intelligent enough to visualise the difficulties faced by the cycle riders crossing through his village road in the absence of a cycle repair shop existing in the area.

He was keenly interested to learn the business know-how, theoretically as well as practically. We found him very good in picking up the practical skill. He was able to master this in 3 months

only. He was found to be above average on the theoretical side also. We often received very good remarks from the shop keeper who was responsible for his practical training. The shop keeper was kind enough to give him a small daily allowance for his work. This acted also as a motivating factor for him to do better.

PLANNING AND SUPPORT :

By the end of the training programme George was ready with a Project Report and other necessary papers to get the financial assistance and start his venture. According to our training system we followed him up and after completing all the requirements of the Bank, he could get a loan of Rs.600/- to start his shop. Considering his keen interest and enthusiasm we were sure that he would be a successful entrepreneur. He was supposed to buy necessary tools and spare parts to start his shop. In fact he came to Ranchi and with our help he purchased a few tools that were necessary in the beginning.

FAILURE-CAUSES : Only after 3 months of all these efforts we received information through our field volunteers that George could not start his shop due to some unavoidable family reasons. This was very disturbing news for us and so the EDP staff rushed to his village to find out and solve the problem. On enquiry we learnt that his father suddenly, without their knowledge, had left the house, after mortgaging the only piece of land with which he was feeding his family somehow.

To redeem his land, George had to pay all the money he had with him to start his business.
This nasty trick of his father was confirmed by the village leaders also. It is said that he had gone to the western part of the country in search of a job.

On our visit we found George working in his field wearing only a loin cloth and looking like a half-fed person. During discussion we found him very sad but still promising to start his business as soon as his younger brothers and sisters are old enough to look after the land.

It was very natural that he first chose to save his land. Every tribal feels the same way and George is not an exception.

WHO IS AT FAULT ?

Can we blame the father, who ran away leaving behind all his responsibilities on the shoulders of a young boy due to unbearable misery or George himself for not starting his business for which he was trained and assisted ?

It is difficult to analyse who is and to what extent, responsible for George's failure, but the fact remains that George alone is not to be blamed.

FOLLOW-UP : George is still on our records and the EDP staff is following him up to see if he comes back to the enterprising path. His loan is also overdue and pressure from Bank and local leaders might motivate him soon to start in a very small way if not in the same pattern as projected earlier.

	Approximate No. of Sessions
A. Motivational Inputs	
Achievement motivation: Games: Ring toss game; Boat Making; Tower Building; Business Games	8
Talks by successful village and other **entrepreneurs**	8
Image Building: Story writing around a situation, depicted in a picture; Oral practice; Who am I?	8
B. Managerial Inputs	
1. **The Entrepreneur and his/her role in society**: Identity; risk taking attitude, role as leader in rural society; role towards economic and social change, motivation towards self reliance.	4
2. **Communications, Basic Concepts and Skills**	
a. **Written Communication**: How to write to a supplier; how to write to financial institutions; written communications in general.	
b. **Oral Communications**: Public speaking; Expressing one's ideas in a clearer way; Thinking on one's feet; Convincing customers.	8
3. **Business Mathematics and Accounting** Practical knowledge of mathematics related	

to business; How to calculate percentage and profit and loss; How to maintain books of accounts; Profit and Loss Account; Balance Sheet. 6

4. **Principles and Practices of Management**; Basic principles of management as applicable to a small business; How to manage one's business effectively 8

5. **Costing** How to calculate the cost of one product or service. What should be the price of your product or service in the market? How to calculate profit. 6

6. **Store Keeping and Purchasing** When to purchase and how much to purchase? Basic principles and practices of store keeping, relating to the demand for a commodity. 6

7. **Marketing and Sales Promotion** How to know your market; How to market your produce and services; How to promote sales; How to arrange and present one's wares. 4

8. **Taxes and Laws relating to Shops & Establishments** Income Tax; Sales Tax; Shops and Establishment Act; Rules and regulations regarding the formation of co-operatives. 4

9. **Information about Government Facilities:** Government Structures established for the promotion of small business; facilities obtainable from these agencies; Commercial Banks and projects for promoting business. 6

10. Market Survey

a. Orientation: How to conduct a market survey; how to proceed; importance; uses that can be made of a market survey. 15

b. Practice: Students make an actual market survey for the product/service they want to launch in a particular locality.

11. Project Preparation

a. Orientation: Basic ideas of project planning; why and how of a project plan; points to which attention needs to be given.

b. Practice: Candidates draw up their own project proposal for presentation to a commercial bank, with the assistance of trainers and bankers. 15

12. Group Discussions: These cover practical problems and are held in order to force students to become better aware of the problems of their environment, and to form and express opinions about them with confidence 12

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Note: The number of sessions indicated against each subject rather suggest the proportion of training time that can be assigned to the subject. It should not be taken as a hard and fast rule. Trainers should adapt their programme and assign time to a particular subject, for instance communications, if it is found that the trainees experience special difficulties in that matter.

1. **Vikas Maitri** in Hindi means **Friendship for Development.**

It is a Christian Association for the Integral Rural Development of the people, mainly the tribal people, of the Chotanagpur area in Bihar. Its membership and benefits are open to all persons, irrespective of caste, religion or race. The association was started in 1968.

2. Vikas Maitri believes that the best strategy to enable people to develop is through a process of conscientization education, and then organisation, before actual projects are started. This is expressed in the **Panchashila of People's Development:**

The association tries to work through the traditional village structures, such as the panchayats, some of which have fallen in disuse, but which can be revived, and used as effective means for organising the people for co-operative endeavours.

3. When a community of four to ten villages, lying in a cluster expresses the desire to take their own development in hand, Vikas Maitri conducts a motivation programme in the form of a village seminar. Then the organisation places one or two village level volunteers, who work along with the local leaders. Eventually these clusters of villages become real 'growth-centres' and the village level volunteers, who are trained for two years, graduate to the status of assistant managers and then managers of these growth centres.

4. The concrete programmes on which the people of a growth centre usually decide are the following: joint irrigation, growing of improved, and new crops, such as winter wheat, potatoes etc. community forestry, pre-school training centre for children (Balwadi), adult education centre, saving scheme, village health programme, installation of bio-gas plant on community basis. There is no restriction **a priori** on what eventually may take place in a growth centre, as long as people have thoroughly thought about it, and have taken a decision that they want a particular programme, and the resources of the area permit its implementation.

5. At present twenty such growth centres exist in Ranchi Dristrict, and one each in the neighbouring Palamau Dt. of Bihar, and Raigarh Dt. of Madhya Pradesh. They are in various stages of development. Some have even begun to form sub-centres of their own neighbouring clusters of villages.

6. The approach to development adopted by Vikas Maitri appears to be well adapted to the social structures and the culture of the tribal people. The starting is slow and for a long time 'invisible' but then things begin to happen in the growth centres, of which one would never have thought that they were possible. The panchashila of development is a powerful means to release the dormant social powers of tribal society, and to upgrade its traditional structures of management.

7. One of the programmes which a growth centre usually takes up is the fostering of entrepreneurs from amongst the village youth. The council of the growth centre identifies the candidates, suggests what type of business they could start in the area, recommends them for training, and on returning after their training, helps them to launch their business. The village level volunteers, assistant managers, or managers of the growth centres keep an eye on the performance of the young entrepreneurs and report to headquarters in Ranchi, if some thing seems to go wrong with the entrepreneurs.

8. Xavier Institute trains the village entrepreneurs, and helps them in drafting a project proposal, and obtaining the necessary bank finance. The XISS staff also visits the village entrepreneurs twice a year, and if need be, makes extra visits in case one of the entrepreneurs faces particular difficulties.

9. The manner in which the two organisations are interlinked is described in more detail in Appendix No. 4

App. 4

RELATIONSHIP BETWEEN XAVIER INSTITUTE OF SOCIAL SERVICE AS TRAINING INSTITUTION AND VIKAS MAITRI AS LINK AGENCY RESPONSIBLE FOR "ENCADREMENT" OF VILLAGE ENTREPRENEURS

TEXT OF ADVERTISEMENT FOR AN E. D. P. App. No. 5

XAVIER INSTITUTE OF SOCIAL SERVICE & VIKAS MAITRI VILLAGE ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

The 11th Village Entrepreneur Development Programme is going to start from ....1980.

Venue: Xavier Institute of Social Service, Purulia Road, Ranchi.

Duration of training: Six months.

Eligibility: Young educated boys and girls (those who have read even below matric can also apply). Candidates belonging to scheduled caste and backward community are also eligible.

Terms: (a) Only those, who want to start their own business after training, should apply.

(b) Trainees will have to undergo practical training in relevant shops for four hours during the day excluding Sunday and the day on which the shop remains closed.

(c) Classes will be held either in the morning or in the evening.

Stipend: Stipend at the rate of Rs. 75/- per month will be given during the training. After setting up your own business, you will have to return Rs . 100/- to the Institute.

Hostel accommodation: Trainees are required to make their own arrangements for accommodation. Hostel accommodation if possible will be provided in the Vikas Maitri Hostel
Application fee payable is Rs. 5/-
The application should be sent by.................to the undersigned:-

Course Director
Xavier Institute of Social
Service, Purulia Road,
Ranchi.

OR

General Secretary
Vikas Maitri,
St. Joseph's Club,
Purulia Road, Ranchi.

APPLICATION FORM APP. No. 6

ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

To,

The Director,
Xavier Institute of Social Service,
Purulia Road, Ranchi.

Sir,

I want to join the Entrepreneurship Training conducted by the Institute. My detailed particulars are as follows:-

1. Full Name:-
2. Age (Date of Birth):-
3. Do you belong to Scheduled Caste/Tribe:-
4. Father/Guardian's Name:-
5. Address:

   (a) Present: Vill ....P. O...............................
   P. S. ....Dist...............................

   (b) Permanent; Vill ....P. O...............................
   P. S........................Dist...............................

   (c) Nearest Growth Centre (Vikas Maitri) ....

6. Father/Guardian's occupation – Service, Agriculture, Business, others: ....
7. Number of members in the family:–
8. Total income of the family:-
9. Education:(a) Basic education:

(d) Practical education/experience...... ....

(c) Monthly income, if any: ....

10. What type of Trade/Industry do you want to start ?
....

11. How much money can you invest ? ....

12. **Write in your own words why you want to join this Training:**

13. Hostel acoommodation required: YES/NO

14. I promise not to look for any job during or after the training. I will be present in at least 90% of the sessions.

15. I promise to return Rs. 100/- to the Institute after starting my Business / Industry.

16. **Consent of Parents/Guardian**

RECOMMENDATION OF Signature of Applicant

Manager/Asstt Manager (Village Growth Centre) Date.........

Picture used for Achievement Motivation Test

To be returned immediately.

Story–2 **Time allowed 3 minutes**

Just look at the picture briefly (10–15 seconds) and write the story it suggests.

To help you cover all the elements in the time allowed you are given the following questions :

1. What is happening ? Who are the people ?
2. What is being thought ? What is wanted ? By whom ?
3. What will happen ? What will be done ?

App. No. 7/1

Picture used for Achievement Motivation Test

To be returned immediately.

Story – 1 **Time allowed 3 minutes**

Just look at the picture briefly (10—15 seconds) and write the story it suggests.

To help you cover all the elements in the time allowed you are given the following questions:

1. What is happening ? Who are the people ?
2. What is being thought ? What is wanted ? By whom ?
3. What will happen ? What will be done ?

App. No. 8

MATURITY TEST FOR VILLAGE ENTREPRENEURS

Write your name here (in capitals):-

Please put (√) sign for right answer.

	(YES)	(NO)
1. A good son/daughter should seek the advise of his/her parents always.	....	....
2. A good son/daughter likes to think for himself/herself without being-always told what he/she has to do.	....	....
3. A good son/daughter should find it unbearable to live far from his/her parents for a long time.	....	....
4. A mature person knows his/her good qualities and strong points.	....	....
5. The ideal man/woman sees himself/herself just as one more number in the crowd.	....	....
6. He/she does not consider himself/herself one more in the crowd but a person with distinct personality.	....	....
7. A mature person likes to be always in the company of others.	....	....
8. A mature person likes to be sometimes alone.	....	....
9. Man should move about less and think more.	....	....

10. You will be a success if you manage to hide all your defects and appear greater than you are. ....

11. A true person sees no obstacle—he just marches on! ....

12. A mature person knows his/her limitations but ignores them. ....

13. A mature person knows his/her limitations, accepts them and acts accordingly. ....

14. "To know oneself" is a difficult but necessary condition to become a man/woman. ....

15. I seldom try to gather knowledge about myself by asking other people. ....

16. A person should examine his/her waking fantasies to know his/her re motives, desires and ambitions. ....

17. To feel diffident about oneself is a sign of wisdom. ....

18. I am never caught. I have a ready excuse whenever I make a mistake. ....

19. It is a sign of maturity to get angry when something goes wrong (e.g.: Tearing up the paper when one cannot solve a mathematical problem). ....

20. The sensible thing to do when something goes wrong is to examine the cause and apply the proper remedy. ....

21. Even though I may occasionally fail I have faith in myself and my future. ....

MID-TERM SKILL TEST FOR TAILORS App. No. 9

Time : 2 hours.

Answer any four questions. No. 6 is compulsory.

1. Write a note on "Sewing is an Art" .

2. What are the equipments used for tailoring. Give details with their uses.

3. Write short notes on any five :-

   (a) Slide plate
   (b) Spool pin
   (c) Stitch
   (d) Free Wheel
   (e) Regulating screw
   (f) Take-up lever
   (g) Needle Bar
   (h) Marking Chalk
   (i) Thimble

4. How will you remeove the following spots from cloth:-

   (a) Tea spot (b) Water spot
   (c) Machine oil spot (d) Ink spot.

5. What are the reasons for repeated thread and needle breaking in the sewing machine. Write in detail ?

6. What are the important things you should look for before starting the sewing machine ?

XAVIER INSTITUTE OF SOCIAL SERVICE, RANCHI.

General Mid-Term Test For EDP Programme

PART A.

Answer any five

Q. 1. What is an enterprise ?

Q. 2. What is the difference between Enterprise and Entrepreneur ? What are the qualities of a successful entrepreneur ?

Q. 3 What is meant by "Leader" ? What type of leader would you like to become ?

Q. 4. What is the meaning of Communication of Message ?

Q. 5. What are the essentials for Effective Communication ?

Q. 6 Write a letter to the dealer of the nearest town, requesting him to send the necessary supplies for your shop.

Q. 7. What is Achievement Motivation ?

PART B.

Answer any two

Q. 1. What would be the rate of interest in 3 years for the principal amount, Rs. 425/- so that the compound amount becomes Rs. 470/-?

Q. 2. Goods purchased for Rs. 90/- should be sold at what price so that you gain 10% profit?

Q. 3. If 3 kg. of Potatoes cost Rs. 4. 50 then what will be the cost of 36 kgs. of Potatoes ?

INSTRUCTIONS FOR BRIEFING OF SHOPKEEPER'S

1) As shown in progress report (App. 12) the Proprietor or Manager of the shop should clearly indicate the progress of the trainee.

2) This programme is being conducted with a social objective in view. Therefore it is expected that you will give special attention in training the boys and girls.

3) This entails a two-fold benefit: firstly you are helping the down trodden to develop and secondly you create your agents in the rural areas for more consumption and publicity.

4) The trainees are expected to learn the skill (working knowledge at least) within 6 months.

5) If they are unable to do so we request you to continue his training at your place after the six-month period till he/she is confident enough to stand on his/her own.

6) We pay a small sum of Rs. 75/- per month for 6 months for their up-keep. We expect you to help the trainee with some pocket money if possible, specially when he has to continue with you after 6 months.

MONTHLY PROGRESS REPORT TO BE SUBMITTED BY SHOPKEEPERS
XAVIER INSTITUTE OF SOCIAL SERVICE.

Attendance for the month of ....Year.. ......

Names (1) ....

(2) ....

(3) ....

1.

Dates	1	2	3	Dates	1	2	3
1				17			
2				18			
3				19			
4				20			
5				21			
6				22			
7				23			
8				24			
9				25			
10				26			
11				27			
12				28			
13				29			
14				30			
15				31			
16							

2. No. of days absent (excluding Sundays and closing days)

3. Takes interest in inplant training : **YES/NO**

(1) ....

(2) ....

(3) ....

Proprietor/Manager — Course Director

Address..

....

APP. 13.

CERTIFICATE FOR SHOPKEEPERS

Entrepreneur Trainer's Certificate

This is to certify that Messrs ....
has given valuable co-operation by imparting practical
training to Sri/Sushri ....
Trainee Entrepreneur of the Institute, during the period
.... till ....
we show our gratitude through this Certificate.

Course Director (EDP)	Executive Director	Director
XISS, Ranchi	Vikas Martri	XISS
	Ranchi	Ranchi

APP. 14.

SCHEDULE FOR MARKET SURVEY: (CYCLE REPAIR SHOP)

Name of the village : ....

Nearest Bank Branch : ....

Nearest Post Office : ....

Distance in Km. : ....

Name of the block : ....

Population of the village : ....

How many children/adults/ aged people

Occupational pattern

How many people are in services, trades or business.

Selling price of similar products or services, if any, in the locality.

How many shops of the same trade exist already.

Number of cycles on road.

How many additional cycles expected in the next year.

Average number of monthly consumers.

Anticipated monthly turn-over.

Projected location of the entreprise.

Will the shed be built or rented.

Are necessary requirements available: raw material

manpower, (if helper is necessary), equipment, others inputs.

PROJECT REPORT : CYCLE REPAIR SHOP

I. Brief description of the project–Background of the area, Justification of the project ;

–Radius of the shop (how many villages it covers) :
–Mode of transport ;
–Distance to the nearest town ; Km.

II. General information :

1. Name :
2. Father's name:
3. Address :
4. Type of proposed business/shop :
5. Place of establishing the shop/business :
6. Number of similar shops in the area :
7. Number of existing cycles :
8. Number of additional cycles within a year:

III. Abstract of investment and financing.

9. Estimated investment : - Fixed
   –Working
   –Total

10. Arrangement of capital : –Loan
    –Own
    –Total

11. Conditions of the loan taken from bank.
    Interest rate-monthly instalments-period of reimbursement.

12. Expected number of consumers.

13. Expected monthly sale
    (Give explanation on how this amount is calculated)

14. Expected monthly profit

IV. List of items of fixed and working capital as per list attached.

V. Simple profit and loss account :

i) Stock at the beginning

+ Amount of purchases during the month **Less stock left** at the end of the month

= **Cost of the goods sold**

ii) Sales

Less cost of goods sold

Plus income from labour charges

= Total : **Gross profit**

iii) Gross profit :

Less other expenses

Rent

Transportation

Electricity

Salary ____________

Others.

= Total = **Nett profit**

iv) Net profit

Less instalments to bank

Less salary for the entrepreneur himself

= Brought forward to reserves ;

development fund :

App. 16

PROJECT REPORT OF A VILLAGE ENTREPRENEUR ACCEPTED BY A BANK

1. Name :- Bhusan Lohar

2. Father's Name :- Shri Jadu Lohar

3. Address :- Temporary :-) Vill. Tamar Dorya tola
   Permanent :-) P. O. - Tamar, Dist-Ranchi.

4. Type of business/shop:- Cycle repair shop (Proposed)

5. Place of eastablishing the shop/business:- Dorya mor, Tamar

6. Number of similar shops in the area :- Two

7. Estimated Investment: Fixed - 435.00
   Working - 990.00
   Total 1425.00

8. Arrangement of capital -Loan : 1200.00
   Own : 225.00
   Total 1425.00

9. Expected number of consumers : (Per month) 350

10. Expected monthly sale :- 907.00

11. Expected monthly profit : 458.60

12. List of items of fixed and working capital :
    List attached.

App. No. 16/2

SIMPLE CALCULATION OF PROFIT AND LOSS FOR THE ONE MONTH

Stock at the beginning	–	Rs. 990.00
Less the cost of what is left in stock after the end of the month		Rs. 300.00
Total cost of what was sold		Rs. 690.00
From sales		Rs. 900.00
Less cost of what was sold		Rs. 690.00
		Rs. 210.00
Plus income from labour charges		Rs. 400.00
Total Gross profit		Rs. 610.00
Less Other Expenses :		
1. Rent	30.00	
2. Transportation	15.00	
3. Electricity	20.00	
4. Salary	75.00	
5. Others	15.00	
	155.00	Rs. 155.00
Total Net Profit		Rs. 455.00

App. 16/3

List of items of Fixed capital

Sl. No.	Name	No.	Cost
1.	Tal Machine	1	30.00
2.	Vice-	1	50.00
3.	File	1	10.00
4.	Pump	1	20.00
5.	Hacksaw	1	15.30
6.	Hammers	2	6.00
7.	Slide Wrench	1	36.00
8.	Pliers	1	15.00
9.	Nose Pliers	1	10.00
10.	Screw driver	2	6.00
11.	Tyre lever	2	2.00
12.	Chisel	3	3.00
13.	Centre Punch	3	3.00
14.	Multi-size wrench	1	1.00
15.	Iron rail	1	15.00
16.	Bucket	1	20.00
17.	Scissors	1	8.00
18.	Roundend pincer	1	8.00
19.	Paddle wrench	1	5.00
20.	DE. Wrench	12	15.00
21.	Spoke wrench	1	2.00
22.	Puncture Box	1	5.00
23.	Wooden bench	1	15.00
24.	Wooden Almirah	1	125.00
25.	Miscellaneous tools	1	10.00
		Total	435.00

List of items of working capital

Sl. No.	NAME	No.	Cost
1.	Grease	6 pkt	7.50
2.	Rubber solution	6	7.75
3.	Spoke	1 Gross	15.00
4.	Paddle leaf	1 Doz	2.50
5.	Brake Clip	1 Doz	3.50
6.	Brake rubber	3 Doz	1.50
7.	Stand leaf	2 Doz	2.00
8.	Stand Spring	2 Doz	5.00
9.	Stand Clip	2 Doz	3.00
10.	B.B. Cup	1 "	30.00
11.	F.W. Cup	1 "	3.00
12.	R.W. Cup	1 "	3.00
13.	Front bearing	1 "	3.50
14.	Rear bearing	1 "	3.50
15.	Brake Rod	1 "	4.00
16.	Brake Spring	1 "	1.50
17.	Bell	½ "	24.00
18.	Bell Spring	1 "	2.50
19.	Paddle bearing & nut	1 "	3.00
20.	Handle cap	2 "	3.00
21.	Wheel cap	1 Gross	15.00
22.	Seat cover	2 Doz	200.00
23.	Chain key	2 "	7.00
24.	Oilcans	2 "	18.00
25.	Balls min. size	2 Gross	9.00
26.	Balls 1/4 "	2 "	9.00
27.	Balls 5/32 "	2 "	7.00
28.	Balls Min. Size	2 "	5.00
29.	Seat Leather	3 "	17.00
30.	Seat rivet	3 Doz	1.50
31.	Seat Plate	2 Nos	7.00
32.	Seat hook	½ Doz	3.00
33.	Seat spring (back)	2	8.00
34.	Seat spring (front)	2	4.00
35.	Seat Jamnut	½ Doz	3.00
36.	Seat catcher	½ Doz	12.00
37.	Brake shoe	2 "	6.00

Sl. No.	Name	No	Cost
38.	Brake fork	2 Pair	8.00
39.	Heli pipe	½ Doz	4.50
40.	Brake Bolt	1 "	3.00
41.	Nuts & bolt	1 "	4.50
42.	Brake Jockey	1 "	3.00
43.	Chain Coverclip	2 "	3.00
44.	Back light	1 "	9.00
45.	Carrier	4 Nos	24.00
46.	Brake plastic	2 Doz	6.00
47.	Complete pedal	2 Pair	13.00
48.	Handle Grip	12 "	12.00
49.	Carrier Clip	1 Doz	3.50
50.	Mudguard	2 Pair	18.00
51.	Mudguard screw & nut	1 Gross	4.50
52.	Fork	2 Nos	24.00
53.	B.B.Axle	1 Doz	30·00
54.	Pedal rubber	2 Doz	6.00
55.	Gear	2 Pair	30.00
56.	Crank	2 Nos	6.00
57.	Chain cover	4 Nos	24.00
58.	Single stand	4 Nos	18.00
59.	Double stand	4 Nos	21.00
60.	Free wheel	4 Nos	24.00
61.	Cotter pin	2 Doz	5.00
62.	Mudguard Rod	1 "	3.50
63.	Front axle	1 "	15.00
64.	Rear axle	1 "	5.00
65.	Handle block	3 Nos	1.25
66.	Seat axle	3 Nos	1.00
67.	Handle lever	6 Nos	22.25
68.	Handle Clip	1 Doz	4.50
69.	Handle tightener	6 Nos	3.75
70.	Bracket (long)	½ Doz	6.00
71.	Checknut	½ Doz	6.00
72.	Threaded Ball racer	1 "	10.00
73.	Ball racer	1 "	3.00
74.	Mudguard Clip	1 "	2.50

75.	Frame Collar	½ "	3.00
76.	Seat keeper	½ "	1.50
77.	Seat keeper bolt	½ "	1.25
78.	Chain	4 Nos	32.00
79.	Chain stay bolt	1 Doz	2.50
80.	Brake jaw nut	1 Doz	2.50
81.	Lock	8 Nos	32.00
82.	Free wheel wire	2 Yards	2.00
83.	Value tube	4 "	2.00
84.	Tyre	12 Nos	120.00
85.	Tube	12	60.00
86.	Pedal Cover	24 Pair	7.00
87.	Pedal axle	1 Doz	6.00
88.	Pedal cup	1 "	3.00
89.	Pedal pipe	½ "	5.50
90.	Pedal cap	½ "	2.25
91.	Pedal Nut	1 Gross	4.50
92.	Pedal rod	1 Doz	4.50
93.	Free wheel bracket	2 "	4.00
94.	Free wheel washer	1 "	1.00
		Total	990.00

CERTIFICATE FOR VILLAGE ENTREPRENEURS **App. 71**
VILLAGE ENTREPRENEUR DEVELOPMENT PROGRAMME

This is to Certify that Sri/Mrs/Miss..
has successfully completed the village ENTREPRENEURSHIP DEVELOPMENT PROGRAMME conducted by VIKAS MAITRI **and** XISS RANCHI.

From.................. 19......... to .... 19............

Subjects covered :–

Achievement motivation	Project preparation
Leadership	General and
Management skills	Practical Training
Accounting	
Costing	
Laws & Taxes	
Marketing & Market Survey	

Ranchi
Dated:.................. I9

Course Director (EDP) Xavier Institute of Social Service, Ranchi	Excutive Director Vikas Maitri Ranchi.	Director XISS Ranchi

HISTORY CARD App. 18.

EDP No :..............................SURNAME ....

Year ....SC/ST/BC/Ordy ....

A. NAME........................ B. Date of birth........................

C. Place of birth..

D. Father's Name ....

E. Occupation..

F. Present address......................................Permanent address

....

....

....

G. Qualification...

H. Specialisation (if any).....................................

I. Period and line of experience (if any)........................

years...

J. Type of buisness industry proposed at the end of EDP Course ......

....

K. Place : ....

L. Progress: Started/Not Started ....

M. If started : When.....................Where...............................

With Whom ....Ownership.............................

N. Own investment : Rs ....

O. Source of borrowed capital..............................

P. Amount applied for :........................ Date..........................

Q. Amount sanctioned: Rs.....................Date..........................

R. Amount obtained: Rs........................ Date..........................

S. If the project not started, reason...

....

T. Encounter:

Date	Remarks
....	....
....	....
....	....
....	....

App. 19.

HOW TO PROMOTE GROUP SAVING AMONG TRIBAL PEOPLE

D. Bara
Executive Director,
Vikas Maitri, Ranchi.

These notes explain a simple technique which may help village people into organising themselves in some social entrepreneurial activity. There may be a number of such activities ranging from joint agricultural production to processing, marketing and saving of money. I intend to describe here how performance can be improved in saving activity by adopting a certain scheme.

Vikas Maitri is an association for health and socio-economic development in the tribal area of Bihar. The association is making efforts to reorganise village people into self - supporting, progressive and just communities by motivating them and by introducing innovation. For motivation Vikas Maitri is using special techniques e. g. self realisation of individuals during group exercises on models. Innovation is introduced through joint activities eg. in agriculture, agriculture-allied activities and primary industry. Since the last two years Vikas Maitri is also promoting group saving. Up to date an amount of Rs.40,000 (forty thousand) has been saved by people under this initiative of Vikas Maitri.

The idea of group activity is not new to tribal people. What is lacking, however, is a clear understanding of its usefulness and proper utilisation of the outcome for development purposes. Also there is a lack of method resulting in arbitrary and unreliable management of activities. The modern methods of managing things do little good as they are not accepted by local people.

The technique for group saving was adopted by Vikas Maitri from a model developed by OXFAM in Africa. However, this was first tested and improvements were made later on.

The saving activity can be initiated by an extension worker or villager having leaderships qualities. He is to call an open meeting of the villagers in order to make them conversant with the idea and to get their reactions and support. He is to lay more emphasis on a fool-proof method of saving so that the village people are taken into confidence.

The speciality of the method is that it allows very small saving regularly. Also, the fund can be managed efficiently by illiterate people. A day is fixed by the village people for meeting once a week where business regarding saving is transacted. The meeting also helps the people to cultivate the habit of regular saving. In the meeting decisions may be taken for investment of funds in common developmental activities.

Saving scheme: (1) The names of villagers are registered in a book,

(2) Each villager is issued a card containing name and serial number. The card has its own number to be registered in a separate book.

(3) A pass book is given to each person, containing twenty blank pages.

(4) A person is required to purchase a printed stamp of Rs. 0.50 each week. The stamp is posted on the card till the card is filled with twenty stamps. The stamps are duly cancelled with dates. The dates show when a person has failed to deposit the amount.

(5) The full card with twenty stamps fixed on it are exchanged with a certificate of Rs. 10/-. Each certificate is to be fixed on the blank pages of the Pass Book. The certificates contain the name and number of the person.

(6) The deposits can be withdrawn by surrendering certificates of that value with prior notice.

(7) The thumb impression or signature of the withdrawer is to be made on the certificate.

(8) The accounts, and the control of stamps and certificates are maintained with the help of prescribed forms These are liable for inspection by the villagers.

The scheme has a special appeal to villagers for the depositors have in hand a token for their money which helps them in calculating finance for farm planning. This activity of group saving can easily be linked up with other developmental activities. For more details please contact the office of Vikas Maitri, C/o St. Joseph's Club, Purulia Road, Ranchi — 834001.

BASIC STEPS IN CHOOSING AN INCOME-GENERATING ACTIVITY

One problem that faces groups is selecting activities that are viable and economically profitable. Lynn Schlueter, who has worked with women's groups in Kenya, prepared the following guidelines to help community groups select an appropriate activity. Field workers and representatives of organisations concerned with aiding groups should also find that the guidelines provide a useful checklist of points to consider. Ms. Schlueter cautions that groups that are poorly organised or inexperienced should choose activities that are simple and inexpensive. Such groups may also need a greater amount of outside assistance.

Step 1: Develop an understanding of the group. What are its strengths and weaknesses with regard to skills, experience, and capabilities? What kinds of activities are members most capable of doing successfully? Consider, too, the group's own objectives and interests. what type of income-generating activity would members most like to do?

Step 2: Keeping the answers to the above questions in mind, list some possible activities that the group might carry out successfully. (Be sure to stay within their realm cf experience, skills, and interest). In developing a list of activities, consider the following questions:

What CROPS can be produced and marketed easily at a fair and steady price? Can the crops be processed locally?

WHAT FOODS could be prepared and sold locally?

WHICH are the most popular in the community?

WHAT PRODUCTS are needed locally, but are unavailable?

WHAT products (e.g. tools, equipment, clothing, and household goods) are bought in town but could be produced locally?

WHAT HANDICRAFTS could be made by the group and sold without difficulty at a good price?

WHAT SERVICES are needed locally and could be provided by the group?

STEP 3: For each possible activity, consider the following questions:

WHAT IS REQUIRED TO SELL THE PRODUCT? Can the crop or product be sold easily at a good price throughout the year?

What level of quality is in demand? Can that quality be produced by the group? Where would the product or crop be sold? Who will buy it? How will it be transported to the market?

WHAT IS NECESSARY TO PRODUCE THE CROP OR PRODUCT in enough quantity to make it profitable at the appropriate level of quality?

WHAT EQUIPMENT, MATERIALS, AND SUPPLIES WOULD BE NEEDED FOR THE ACTIVITY ? Are these available in the community? At what cost? If they are not avilable,where can they be obtained and from whom? (Activities that require expensive tools or equipment should not be recommended unless the group has some way of obtaining them without great expense both to start the project or to continue it on its own).

WHAT FACILITIES AND LAND WOULD BE REQUIRED ? Does the group need land ? a workshop? a store ? Are these available at a reasonable cost ? Could a workshop or a store be constructed by group members ? Who will pay for the land and buildings?

WHAT SKILLS AND KNOWLEDGE ARE NECESSARY TO SUCCESSFULLY CARRY OUT THE ACTIVITY? If new skills must be learned, who will provide the training ? How long will it take ? Where can the group get information about the activity?

WILL THE GROUP NEED HELP ORGANISING AND MANAGING THEACTIVITY ? If so, who will provide that assistance and how long will it be needed ?

HOW MUCH WILL IT COST TO START THE ACTIVITY? To purchase materials, equipment, and supplies? To buy land and construct workshops or stores? What other expenses, such as licensing, packaging, taxes, or transportation fees are related to the activity? What long-term costs are involved in the activity?

WHAT OTHER SHORT-TERM OR LONG-TERM BENEFITS MIGHT BE DERIVED FROM THE ACTIVITY? How will the activity help group members to develop skills that may be helpful in other areas of their lives (e. g. financial skills).

HOW MUCH AND WHAT KIND OF RISK IS INVOLVED: How much uncertainty? Can " success " be less than complete? What are the disadvantages of the activity? (e.g. the activity may do little to develop creativity because members must "mass-produce" items for sale. Or it may require undesirable competition, with others in the community) What are the social and economic implications of the activity for the individual, the family, and the community?

HOW LONG WOULD IT TAKE TO GET THE ACTIVITY STARTED? Consider the abilities of group members, their need for training, and other factors such as the time needed to obtain supplies, construct facilities etc.

Step 4: Match up the group with each proposed activity. All things considered, what are the possibilities of the group doing the activity successfully and profitably? If the activity does not seem possible (e.g. if the problems are too great, if the costs are too great, if the activity requires extensive training and is complicated to manage, or if the "unknowns" are extensive), it would be best to consider another activity—something that would be less complicated and more promising. If, however, the activity does seem promising, consider the following questions:

WHAT MIGHT BE THE MAJOR DIFFICULTIES and constraints related to the activity and how might they be overcome?

WHO WOULD BE AVAILABLE TO HELP THE GROUP when there are problems that group members cannot solve ?

WHAT IS THE EXPECTED ATTITUDE of the community and its leaders if the group becomes involved in this activity ?

Step 5 : Propose the most promising activities to group members for their consideration. Discuss the possibilities , constraints , anticipated difficulties, and ways each activity might be organised, financed, and managed. In general, help the group to focus their attention on the decisions they must make. Explain each of the various options carefully. (These discussions may require several meetings. Avoid coming to a decision too quickly. Invite community leaders, government extension officers, and others who may be able to assist the group in its work, to participate in some meetings) .

Step 6 : Assess the group members' level of interest, their determination, and their willingness to participate in the proposed activities

Step 7 : When the time is right and various possibilities and problems have been explored, come to a decision.

Step 8 : Develop a plan of action .

INCOME-GENERATING PROJECTS : THE POSSIBILITIES

The following list identifies some of the many possible activities available to groups. In most cases, the activities will be those already available in the community. In some cases, however, groups may wish to introduce a new crop or processing technique. In these cases care should be taken to assure that adequate training opportunities and resources are available. Some of the activities are very simple while others require considerable skill and financial investment.

ANIMAL HUSBANDRY, FOOD AND CROP PRODUCTION

Agricultural Crops: maize, beans, rice, peas, wheat millet, sorghum, groundnuts, peppers, tomatoes, cabbages, onions, potatoes, yams, bananas, pineapples, oranges, lemons, mangoes,

papayas, coconuts, figs, guavas, mushrooms, oil seeds, sunflowers, aloe, castor, cotton, ginger, pyrethrum, sisal, and wattle.

Animal Husbandry: Chickens, and other poultry, cattle, sheep, goats, pigs, fish, rabbits; animalby-products, including eggs, milk, cream, cheese, ghee, honey, wool.

Food Preparations: fruit drinks and squashes; fruit preserves, jams and jellies; dried fruit such as banana chips, pineapple and coconut flakes, dried vegetables, bread and other baked goods; pickles and chutney, spices; condiments.

Food Processing: A wide variety of food crops can be processed in various ways including drying, extracting, pressing, grinding, husking, shelling, winnowing, milling and crushing. In many cases, food processing activities can be made more efficient if existing technologies are modified to meet the special needs of small producers.

HANDICRAFTS:

Processes: weaving, sewing, plaiting, embroidering, dyeing, silk screening, printing, spinning, carving, drawing, painting, sculpting.

Products: baskets, pottery and ceramics, batiks, handbags, coconut products, embroidered cloths, beadwork, jewellery, mats for table and floors, paper products, toys and games, painting, sculpture, fish nets, leather goods, clothing.

SMALL INDUSTRIES AND SERVICES:

Bicycle repair: blacksmithing, boatmaking, brick and tile making, auto mechanics; carpentry; and woodworking; tailoring, candle-making, building construction (e. g. homes, farm buildings, food storage facilities, latrines) ; water tanks, tanning, leather goods production, machine repairs (e. g. sewing machines, typewriters, water pumps); soap making, shoe repairs; quilt making; bee-keeping, sericulture (silk worms) ; household goods (e.g. lamps, stoves, metal containers, utensils, cooking equipment); farm tools and equipment.

ENTERTAINMENT: Traditional dances, singing, drama, writing stories, songs and plays.

REF: THE NEF EXCHANCE—Issue No. 16—1979/2, Non-formal Education Information Centre, Institute for International Studias, College of Education, 513 Erickson Hall, Michigan State University, East Lansing, Michigan 48824, U S A.

TRYSEM — Appendix 21

National Scheme of TRAINING OF RURAL YOUTH FOR SELF EMPLOYMENT is cne of the major programmes which has been undertaken by the Central Government for achieving full employment. The Scheme aims at training every year around 40 youth from each of thc 5000 blocks in the country. Preference will be given to youth and women belonging to the target groups of small and marginal farmers, landless agricultural labourers, artisans and craftsmen, and people below the poverty line, training primarly to equip them with necessary skills and technology in order to enable them to seek self-employment. In order to effectively tap our natural resources in the agricultural sector, the areas chosen for training, are primarily in the field of agriculture, forestry and allied activities. According to Dr.M.S.Swaminathan, the Secretary in the Ministry of Agriculture and Rural Development the essential steps in the project are:

(i) Careful identification of opportunities for gainful self-employment based on an economic analysis of the developmental assests and liabilities of each Block.

(ii) Designing training programmes which will help to impart the requisite skills, and identification of institutions which can impart such training on the principle of "Learning by Doing".

(iii) Organisation of post-training services such as subsidy, credit and marketing arrangement; and

(iv) Organisation of the training programmes in such a manner that the Training Institution serves the need for continuing education for the trainees and acts like an umbilical cord between the Training Institution and trainee.

Some of the features are critical in the programme on which the success of the entire programme will depend. One such major area is selection of youth from the target group for the purposes of training in this area as well as in the area of selection of institutions which will impart training, the decisions have been left primarily with the state governments. The past experience of any such programmes including the recent one of 'Jan Swasthya Rakshak' bears testimony to the fact that the local politicians scuttle any such move which is intended to bring change.

Some measures have been suggested to avoid this viz. very clear identification of target population and absolutely no academic qualification as pre-requisite for training. Some other modifications can be made. The training institution should also be involved with identification of the target population for training. Regarding training as well as the areas in which the training has to be imparted, this programme should also run in close liaison with the District Industries Centres (DICs). The existing bureaucracy and lack of political will, of course, continue to be an impediment.

There is yet another area of credit and marketing which requires serious attention. Despite the fact that the Government of the nationalised banks at their 'top level' have been consistently talking of credit to the poor labourer or artisan it has not happened in practice. The data of any bank will bear testimony to this. Even where enthusiastic young voluntary workers have tried to help the poor, the credit agencies have usually been

able to successfully avoid giving loans to these people below the poverty line. They do not have any 'guarantees'. Even if they are able to find this, some other excuses are found. Besides, the poor man has hardly anything to invest. He often consumes the petty loans for his survival. Because the entrepreneur is unable to hold his produce, he is unable to compete in the market against the forces of local business interest. It is, therefore, imperative that some kind of marketing system be developed with the training institutions, DICs, and the local warehousing corporations or the godowns of the banks where the producer may be able to effectively channelise his produce at reasonable prices, avoiding the middle man.

REF: SCIENCE FOR VILLAGES-VOL III, No 1 & 2, Oct. ,79.
For more information on TRYSEM you can write to, Government of India, Ministry of Agriculture & Irrigation (Department of Rural Development), Krishi Bhavan, NEW DELHI- 110 001.

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